

Democrats Threaten 4 Nations With Tariffs on Exports to U.S.

By Hobart Rowen
Washington Post Service

WASHINGTON — Key Democrats in Congress have introduced legislation to force Japan, Brazil, Taiwan and South Korea to trim their trade surpluses with the United States or face stiff new tariff penalties.

The legislation, submitted Wednesday to the Senate and scheduled to be introduced Thursday in the House, is expected to serve as the battleground this fall over the growing demand to protect American jobs.

The Reagan administration denounced the legislative proposal as "protectionist" and threatened a veto if it passed Congress. Privately, administration officials expressed concern that some version of the bill would be approved and some wondered whether there might be enough votes to override a veto.

The legislation would require the four countries to cut trade surpluses with the United States by 5 percent of 1984 figures, or face a punitive 25-percent additional tariff on all exports to the United States beginning Oct. 15, 1986.

The bill also would require the United States to charge both Japan and the European Community with unfair trade practices in proceedings before international trade bodies, and mandate action to lower the value of the dollar. The decision-making authority for trade policy would be taken away from the president and centralized in the U.S. State Trade Representative.

The main authors of the bill include Representative Dan Rostenkowski, Democrat of Illinois and chairman of the House Ways and Means Committee; Representative Richard A. Gephardt of Missouri, a key figure in the Democratic



Dan Rostenkowski

Leadership Council; and Senator Lloyd Bentsen of Texas, ranking Democrat on the Senate trade subcommittee.

They emphasized Wednesday that they were responding to a deteriorating situation they said was costing jobs in the United States at a time, Mr. Bentsen said, of "apparent paralysis of U.S. trade policy."

They insisted that the legislation was not protectionist, but represented the minimum Congress could do to block protectionist measures such as strict quotas.

"This is a kind of last call from congressional moderates for a sensible, hard-hitting response to trading partners who have run up excessive surpluses," Mr. Rostenkowski said.

The bill was denounced by Treasury Secretary James A. Baker 3d as "protectionist legislation of the rank kind."

Clayton K. Yeutter, U.S. trade representative, said: "It's the worst of all worlds. It is patently anti-consumer, undermines the international trading system, and invites retaliation that would cost jobs."

The proposed "Trade Emergency and Export Promotion Act" would set up a statistical definition of "excessive trade surpluses" with the United States.

Japan and Brazil also would be required to trim their global trade surpluses to avoid the new U.S. duty. The global trigger was included to avoid the concern that Japan, for example, might import more from the United States but compensate by reducing its imports from Third World neighbors in Asia.

Although a section-by-section description of the bill claimed that the initial 5-percent reduction in surpluses it would require was a modest and feasible "turnaround target," other data supplied by the sponsors showed that the required reduction would be much more severe in the case of Japan.

Japan's \$37-billion trade surplus with the United States in 1984 is projected to reach \$45 billion to \$50 billion this year, and the descriptive material said that Japan would have to cut its surplus by \$14 billion to lower its deficit by 5 percent below the \$37-billion standard. A \$14-billion cut from \$45 billion to \$31 billion is 28 to 31 percent.

Sponsors of the bill made clear that their major goal was to press the president to step up the administration's efforts to get greater advantages for American exporters, especially in the Japanese market.

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Chancellor Helmut Kohl at the start of Thursday's hearing.

Kohl, at Hearing, Rejects Charges He Arranged Illegal Party Donations

By William Drozdiak
Washington Post Service

BONN — Chancellor Helmut Kohl rejected Thursday charges that he was involved in arranging illegal donations to the Christian Democratic Union during his tenure as party chairman and premier in his home state of Rhineland-Palatinate.

Displaying flashes of anger and impatience, Mr. Kohl testified at a corruption inquiry in the state parliament in Mainz that he had no knowledge of a multimillion-dollar tax evasion scheme in which companies avoided taxes on political donations by laundering funds through charity front organizations.

During a two-and-a-half-hour interrogation, Mr. Kohl repeatedly insisted that he could not recall contacts with managers of several companies who acknowledged in written notes that they consulted Mr. Kohl on methods of payment at various times in the past two decades.

The state parliament is scrutinizing allegations that the Christian Democrats received more than the equivalent of \$73 million in illegal

donations between 1969 and 1980. Mr. Kohl served as party chairman from 1966 to 1973 and as state premier from 1969 to 1976.

The Mainz inquiry is distinct from separate national investigations into illegal party financing and the so-called "Flick affair" in which senior politicians have been accused of taking bribes from the Flick industrial group in return for favorable tax legislation.

The former economics minister, Otto Lamsdorff, is due to go on trial later this month on corruption charges arising from the Flick scandal.

Mr. Kohl, who appeared tense and nervous at the start of Thursday's hearing, rebutted persistent questioning from opposition Social Democrats and denied any memory of conversations allegedly held with business executives regarding political contributions.

"This is an absolute imposition and you are taking it on my time," the chancellor said at one stage in the interrogation. "You are trying to construct connections where evidence for them simply does not exist."

Mr. Kohl said all major political

parties had "sinned" by honoring the wishes of some donors to remain anonymous. He contended that he was never aware that charity fronts were used to collect political donations.

The chancellor emphasized that he always sought to distinguish between his government and party roles. He said he dropped any involvement in organizing party funds once he became state premier.

But later he conceded that a request for party donations was written on the state premier's stationery in 1969, shortly after his election, was "certainly not in order."

Despite the lingering controversy over corruption charges, Mr. Kohl and his party do not appear to have suffered significant political damage from the party financing investigations. The evidence gathered by the state committee does not appear sufficient to implicate Mr. Kohl directly in the alleged tax fraud, and it does not seem likely that he will be charged with committing any illegal actions.

Growth Figure In U.S. Revised Down Sharply

By John M. Barry
Washington Post Service

WASHINGTON — The sluggish U.S. economy, hurt by the rising trade deficit, grew at a weak 1.7-percent annual rate in the second quarter, the Commerce Department reported Thursday.

The gain shown in the preliminary estimate for the gross national product, after adjustment for inflation, was substantially lower than the 3.1-percent estimate several weeks ago in the department's "flash" figure.

The downward revision was due primarily to greater weakness in trade than had been expected and to businesses adding to their inventories more slowly.

While forecasters expect somewhat faster growth in the second half of the year, there is no sign of it yet, according to private and Reagan administration economists.

Real GNP rose at a 0.3-percent rate in the first quarter. Thus, in the past six months the economy has been expanding at a 1-percent annual rate, far below the 4-percent rate predicted by the administration in its forecast last winter. In the latest four quarters, growth has been only 1.9 percent.

In a separate report issued Thursday, the Federal Reserve said that industrial production rose 0.1 percent in June, the same as the month before. The slight increase underscored the difficulties the nation's goods-producing industries were facing because of the worsening trade deficit, analysts said.

The White House, which often issues a statement about changes in major economic indicators, had no comment about the GNP figures.

Commerce Secretary Malcolm Baldrige said that the latest estimates indicated "some pickup in production from a flat first quarter. The gain, however, was less than estimated a month ago, primarily reflecting downward revisions in inventory investment and net exports."

Mr. Baldrige said the estimated real volume of exports last quarter fell at an annual rate of 12.5 percent, while imports rose at a 1.4-percent annual rate.

"We continued to consume and invest more than we produced, with foreign suppliers making up the difference," he said.

Meanwhile, in another day of testimony before Congress, Paul A. Volcker, the Federal Reserve chairman, warned that the United States, "in a very real sense almost can't afford" to try to reverse the trade deficit by means of a cheaper dollar without simultaneously reducing the federal budget deficit.

Mr. Volcker said that if the trade deficit fell, so would the inflow of foreign capital that has helped hold down U.S. interest rates. If pressure on credit markets is not relieved by cutting the budget deficits when that foreign capital slows down, then interest rates could rise again.

He indicated that a sharp decline in the dollar could endanger the central bank's anti-inflationary policies. His remarks helped stabilize the dollar's value Thursday on foreign exchange markets. It has dropped about 12 percent since February.

An administration economist said the surge in money supply growth in the past nine months should get the economy moving. "I look for it almost any day," he said. "It's a question of time."

GNP Leak Reported

Commerce Department officials said Thursday that advance word on the GNP was disclosed to the financial community about 17 hours before it was officially released Thursday morning. The Associated Press reported from Washington.

Mr. Baldrige said the disclosure was being investigated by the department's inspector general.

The government goes to great lengths to ensure that economic reports are not released early because of potential impact on financial markets.

Mr. Baldrige said he had no evidence that advance word on the GNP report had affected financial trading Wednesday afternoon, although there was a rally in the New York bond market late in the day. Bonds often gain investors' favor after reports of weak economic activity in the belief that interest rates will fall.



A bus stoned during the unrest Thursday crashed into a Soweto home when the driver lost control. The driver was reported seriously injured, but no one in the house was hurt.

Violence Erupts in Soweto a 2d Day

Reuters

JOHANNESBURG — Violence erupted Thursday for the second consecutive day in Soweto, South Africa's largest black township, police said.

South African authorities reported arson and stoning in townships throughout South Africa on Thursday but said the worst trouble took place in Soweto, outside Johannesburg. Police used tear gas and rubber bullets to disperse youths there. A black person was killed by a bullet and two others were critically wounded in the Soweto violence, officials at the Baragwanath Hos-

pital in Johannesburg said Thursday. Agence France-Presse reported.

[The authorities would not confirm the report, but the hospital's superintendent said that three persons had been admitted with gunshot wounds, and that one of them was dead. The two others were in critical condition, he said.]

Soweto's police commander, Jan Coetzee, said gasoline bombs had been thrown at two policemen's homes; youths burned and stoned cars, and a policeman's vehicle and firearm had been stolen.

There has been little violence in

Soweto recently during the nationwide racial unrest, which has claimed more than 450 lives in 17 months. Riots in 1976 that began with a Soweto school boycott spread nationwide and nearly 600 people died as a result.

In the eastern Cape region, Ivan Krige, the mayor of Port Elizabeth, said that a boycott by black shoppers, called by community groups to protest police and army actions in their townships, had created a "desperately urgent" crisis.

Mr. Krige said he had appealed to the minister of law and order.

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Reagan Test Urged in March, Doctor Says

By Lawrence K. Altman
New York Times Service

WASHINGTON — A medical team that examined President Ronald Reagan recommended in March that he receive a thorough examination of his colon as soon as possible, the team's leader has asserted. The doctor's statement intensified a debate over the timing of Mr. Reagan's cancer treatment.

The White House contended in response that there had been no recommendation of urgency for a colonoscopic examination in the written report submitted by the team.

Mr. Reagan did not receive such an examination until last Friday, when surgeons at the Bethesda Naval Medical Center outside Washington discovered a polyp that proved to be cancerous.

Since that time the question of whether the colonoscopy and surgery should have been performed in March has been debated among physicians.

Contributing to the debate, a vice president of the American Cancer Society said that Mr. Reagan's physicians had misinterpreted the society's guidelines for when extensive testing for polyps should be done. The president's physicians claimed the guidelines among their reasons for not having performed an earlier colonoscopy.

Dr. Arthur J. Hollub, the society official, said that the guidelines "do not apply to individuals in the stated age group who may have bleeding or the presence of a polyp."

The physician who said his medical team had called for prompt action in March is Dr. Walter W. Karney, a navy captain and the internist at the Bethesda hospital who coordinated the president's annual physical examinations in 1984 and 1985.

He said in an interview that Dr. Edward Cattau, a gastroenterologist who was a member of the examining team, "strongly urged" after the examination in March that Mr. Reagan be given a colonoscopy "as soon as possible."

Dr. Karney declined to say whether a four-month delay could be considered "as soon as possible." Dr. Cattau could not be reached for comment.

Larry Speakes, the White House spokesman, defended the decision not to conduct a colonoscopy until this month, and he strongly denied that White House physicians had ignored recommendations that they should have acted sooner.



President Reagan, sharing a laugh with Vice President George Bush, center, and the White House chief of staff, Donald T. Regan, at the Bethesda medical center near Washington.

President, Recovering, Gets Solid Food in Diet

The Associated Press

WASHINGTON — President Ronald Reagan, five days after his cancer surgery, was put on a diet Thursday that included his first solid foods in eight days and had the staples binding his abdominal incision replaced with adhesive strips.

Continuing the upbeat reports on Mr. Reagan's health, the chief White House spokesman, Larry Speakes, said the president was taken off antibiotics and was receiving no medication.

The president had apple juice, hot tea, water and Jell-O for breakfast, and his luncheon menu called

for soup, bread, crackers and pudding. Mr. Speakes said Mr. Reagan's dinner would be a "feast of baked chicken and rice."

The resumption of solid foods indicated the Mr. Reagan's digestive process, interrupted by the surgery, was returning to normal.

Mr. Reagan was described as being in high spirits and joking about reports circulating in financial markets in Singapore and Europe that he had died.

"Somebody must be trying to make a buck," the president was quoted as saying Wednesday.

He also defended the White House's efforts to limit interviews with the president's doctors and called speculation on his medical treatment "distasteful."

Mr. Speakes strongly criticized critics of Mr. Reagan's medical care, saying that the president and his wife, Nancy, did not want Mr. Reagan's doctors to talk to reporters because they felt very strongly about the confidentiality of the doctor-patient relationship.

Dr. Karney's account was given outside the strict ground rules set by the White House for the release of information. It was the first such account that cast light on the ques-

tion of whether physicians or White House officials had delayed too long in carrying out the crucial medical test.

One of the contentions of critics is that if the colonoscopy had been done earlier, the cancerous polyp might have been detected before the malignant cells had broken through the inner bowel lining. The degree of invasion into the bowel wall is a crucial measure in determining the prognosis of a patient with colon cancer.

Dr. Karney said the final medical decision on what tests or treatments the president should undergo was the responsibility of the

U.S. Shows Irritation on Peres 'Veto'

Reuters

WASHINGTON — The State Department responded Thursday to the rejection by Israel of a list of Palestinians proposed for talks with the United States on the Middle East peace process.

Jordan has given the United States a list of Palestinians it wants to be part of a Jordanian-Palestinian group that would meet U.S. officials. Prime Minister Shimon Peres said Wednesday the list was not acceptable.

A department spokesman, Robert Smalley, dismissed the idea of an Israeli veto on the names but said that Washington would do nothing to stand in the way of Israel's goal of direct Arab-Israeli peace negotiations.

Mr. Smalley said that the U.S. decision on a meeting "will be taken in the light of consultations with our friends in the area but it will be our decision."

He said that "the question of a veto over our decisions by one or another of the parties has come up. This is not the way we proceed."

The statement made clear Washington's irritation at Mr. Peres's swift public rejection of the list on Israeli television and the disclosure of names said to be on the list by Israel's state-run radio.

Progress in the peace process had to be based on mutual trust and full confidence and required "a certain amount of discretion," Mr. Smalley said.

Mr. Smalley said there would be many incremental steps toward the goal of direct negotiations between Israel and the Jordanians and Palestinians.

"We should all try to step back a bit, and not try to react to each individual event or occurrence as if it were somehow outside the process," he said.

Any steps would be judged in the light of the goal of direct Arab-Israeli peace talks, Mr. Smalley said. "If something will help the process, we will do it," he said. "If it will hinder the goal of direct negotiations, that obviously is something we will try to avoid."

The idea of a U.S. meeting with a joint Jordanian-Palestinian delegation was proposed by Jordan and Egypt.

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Elections In Belgium Scheduled For Oct. 13

The Associated Press
BRUSSELS — Prime Minister Wilfried Martens, who offered his government's resignation earlier this week, said Thursday that general elections would be held Oct. 13, about two months earlier than originally scheduled.

Speaking to the Chamber of Representatives, the lower house of Parliament, the prime minister also announced a scaled-down legislative agenda for the final weeks of the government's existence.

The crisis arose because of a dispute over the government's handling of a soccer riot May 29 in Brussels in which 38 persons were killed and more than 450 injured.

As a formality, King Baudouin must approve the date of the general election, which originally had been set for Dec. 3.

The election date was changed because of a crisis that broke out Monday when Deputy Prime Minister Jean Gol submitted his resignation and five other cabinet members from his party followed him.

Mr. Gol acted because of the refusal of the interior minister, Charles-Ferdinand Nothomb, to step down in acknowledgment of responsibility for the security operations at the stadium where the soccer riot broke out. The interior minister is in charge of all police forces.

On Tuesday, with his four-party coalition fractured, Mr. Martens offered to dissolve the government, but the king refused to accept the coalition's resignation. Mr. Martens was instructed by the king to set out a limited legislative agenda and to continue in office with the same team of ministers.

The cabinet will ask Parliament to act on two main programs — jobs and taxes, postponing a decision on a constitutional reform and canceling the summer's usual budget drafting exercise.

In his address Thursday to Parliament, Mr. Martens made a reference to the squabble between Mr. Gol and Mr. Nothomb that nearly toppled his government.

"Even when no political mistake has been made, a politician may judge that his moral duty is to resign," Mr. Martens said. "He also can opt for the contrary. I see that the interior minister made the second choice. It's up to him."

The prime minister said the government's remaining tasks were limited but important, because "decisions are needed to pursue the country's economic and social recovery and complete the constitutional reform" giving more powers to linguistic regions.

Mr. Martens said the program would be limited to one bill aimed at creating more jobs and another cutting taxes by 75 billion Belgian francs (\$1.3 billion) over four years.

The lower house began debating the program Thursday afternoon, with the Senate to take it up Friday. Both houses were expected to adopt it this week.

Trade Tariffs Proposed

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and to convince Japan that greater access to its market was the only way to avert a punitive tax.

Administration officials concede that sentiment is growing on Capitol Hill for direct action to restrict imports, even though the main factor in generating the United States' \$123-billion trade deficit last year was an overvalued dollar triggered by the budget deficit.

An administration source said: "We're really in a weak position. The trade deficit will continue to grow, maybe to \$150 billion this year. And Congress will keep saying that we in the administration aren't doing anything. The big question is whether we would have enough votes to override a veto."

When the U.S. trade deficit exceeds 1.5 percent of the gross national product, countries with a two-way trade of at least \$7 billion would be subject to an extra 25 percent tariff if their bilateral trade surpluses with the United States, or surpluses with the whole world, exceed what the bill considers reasonable amounts. In 1984 the U.S. trade deficit was 3.4 percent of the GNP.

There are two possible "triggers" exposing individual countries to the extra tariff: global exports exceeding 150 percent of their global imports; or exports to the United States over 165 percent of a country's imports from the United States. Petroleum trade is excluded from the calculations.

The next test to be applied is whether countries with surpluses exceeding the standards in the bill have unfair trade barriers. Unless the president declares them free of unfair trade restrictions, the country must cut its trade surplus 5 percent below the 1984 level, then by 10 percent a year in the succeeding five-year life of the bill.



The principals in Belgium's political crisis, shown at a recent news conference, are, from left, Interior Minister Charles-Ferdinand Nothomb, the former deputy prime minister, Jean Gol, whose resignation set off the turmoil, and Prime Minister Wilfried Martens.

Nakasone's European Visit Failing To Calm Fears Over Trade Deficit

Reuters
BRUSSELS — Prime Minister Yasuhiro Nakasone arrived Thursday in Brussels on the last leg of a tour that has apparently done little to calm European Community worries over his huge trade deficit with Japan.

Mr. Nakasone visited Paris and Rome earlier and is to return home Saturday after talks with Belgian and EC Commission officials.

EC diplomats said the results of Mr. Nakasone's tour were not likely to dissuade the commission president, Jacques Delors, from taking a tough line.

They said that he would demand that Tokyo take tangible steps to open its markets to foreign products, so far largely excluded by nontariff restrictions.

The Japanese put the deficit at \$10 billion, but EC officials said this was distorted by the inclusion of Japanese imports of non-EC gold, which is mainly bought in London.

The EC has already decided to review economic ties with Japan after the summer. The review was expected to be influenced by what measures Tokyo takes in a special package of measures to open markets that is due to be disclosed this month.

EC diplomats said Mr. Delors would insist the measures be quantifiable. Tokyo should fix higher import targets rather than simply pledging to accept more goods as Mr. Nakasone has already done, they said.

Most EC governments recognize that Mr. Nakasone probably had done more than any of his predecessors to open up the Japanese market and has removed many of the tariff barriers.

But promises of easing such nontariff barriers as the highly exclusive goods-distribution arrangements have not produced tangible results, and the competitive position of European industry is getting worse, diplomats said.

Japanese officials concede they have a long way to go to satisfy their trading partners in Europe and in the United States, where criticism of their trading practices is growing in Congress. But they say their country is being blamed for matters largely outside its control.

New Battles End Beirut's Brief Respite

United Press International
BEIRUT — Fighting resumed between Muslim and Christian militiamen in Beirut Thursday as Lebanese authorities tried to carry out a Syrian-backed security plan for the Beirut airport, officials said.

Defense Minister Adel Ossseiran and a 13-member coordinating committee supervising the Syrian plan met and renewed a demand that militiamen withdraw from the airport, south of the city.

In the first stage of the security plan, militiamen in West Beirut, which is largely Muslim, put on civilian clothes instead of fatigues.

Under the plan for the airport, the committee said, regular policemen would patrol the road to the airport, and that one Syrian would have responsibility for the airport.

After the hijacking of the TWA airliner in June and the ensuing hostage crisis, President Ronald Reagan suspended rights for Lebanese airlines to land in the United States and he sought an international boycott of the Beirut airport.

[A ban on all U.S. sales of airline tickets to Lebanon took effect Thursday as the White House endorsed the order. Reuters reported, quoting a Transportation Department spokesman.]

[Under the order, all foreign and domestic airlines are prohibited from selling tickets in the United States, even if the flights originate in another country and never enter the United States.]

In the Beirut fighting, Christian and Muslim militiamen battled with artillery, rockets and mortars until a dawn cease-fire.

One person was killed and six were wounded as shells crashed into apartment buildings and homes more than 12 miles (20 kilometers) from the city center.

Fighting resumed in the afternoon for several hours.

U.S. University May Close

The board of trustees of the beleaguered American University of Beirut is to meet Friday in New York to discuss possible closure of the 119-year-old institution, officials said Thursday, United Press International reported from Beirut.

4 Palestinians Held

Muslim militiamen said Thursday they had detained four Palestinian guerrillas attempting to smuggle weapons, ammunition and money into Sidon, Reuters reported from the southern Lebanese coastal city.

Four 120mm mortars, 100 ammunition cases and what the militiamen called a large amount of Lebanese and U.S. currency were reportedly found when a truck was searched near the city, site of the largest Palestinian camp in Lebanon.



President Hosni Mubarak of Egypt, left, and Mengistu Haile Mariam, the Ethiopian leader, review an honor guard after the arrival of the Egyptian leader in Addis Ababa.

West Assailed as Africans Open Summit

The Associated Press
ADDIS ABABA — The Organization of African Unity opened its 21st summit meeting Thursday with a speech by the Ethiopian leader, Lieutenant Colonel Mengistu Haile Mariam, denouncing international banking institutions as "weapons of pressure and intervention."

The meeting of the 50-nation OAU, scheduled to continue through Saturday, is to be devoted to Africa's economic problems. President Abdou Diouf of Senegal was elected to a one-year term as

chairman, succeeding President Julius K. Nyerere of Tanzania.

A preliminary statement by the African leaders said that the economies of many countries were near collapse because of drought, debts, the effects of a global recession and, in addition, their own policy failures.

Colonel Mengistu, a Marxist, said Africans must insist that foreign creditors reduce Africa's debt, which is expected to exceed \$170 billion by the end of the year.

Book Challenges Tito's Hero Image

Reuters
LONDON — The reputation of Josip Broz Tito, the Yugoslav leader who was widely regarded in the West as a wartime hero and world statesman, has been attacked by a British writer as based largely on lies and distortions.

The death of Marshal Tito in May 1980 evoked expressions of regret and mourning in many Western countries. He was praised for World War II exploits as leader of the Partisans, for unifying Yugoslavia, for resisting Stalin in 1948 and for helping to organize the Nonaligned Movement between East and West.

However, Nora Beloff, a specialist on Eastern Europe, says in a new biography, "Tito's Flawed Legacy," that he was a despot who exploited wartime turmoil to destroy rivals and later used the Nonaligned Movement to advance the interests of Communism and the Soviet Union.

Miss Beloff, a former correspondent for The Observer, was expelled from Yugoslavia last year while doing research. She was accused of importing banned literature and has since, she says, been branded by the Yugoslav police as a spy.

Some reviewers welcomed her book as an overdue reassessment.

But another Tito biographer, Phyllis Auty, condemned the work as biased.

The Yugoslav Embassy in London also said that Miss Beloff was biased and that she had drawn exclusively from critical accounts.

Miss Beloff says her book is based on evidence from a range of sources, including dissidents, exiles, published memoirs and also German and British archives.

The focus of the book is on Marshal Tito's war record. His Partisans were widely credited with waging a valiant struggle against the Nazis and their allies, and the Partisans won British and U.S. support.

Miss Beloff contends that Marshal Tito's priority was not on defeating the enemy but rather on destroying anti-Communist rivals, particularly the royalist Chetnik forces, to prepare for a Communist takeover.

In late 1942, the writer says, Marshal Tito even tried to strike a deal with the Germans so his Partisans could turn all their guns on the Chetniks, but Hitler refused.

A review of Miss Beloff's book in The Observer suggested that she had gone too far in portraying Marshal Tito as a wartime villain.

"The picture is not black and white," it said.

Miss Auty, an earlier Tito biographer, put the alleged 1942 offer of a deal with the Nazis in a different light. Marshal Tito merely sought a cease-fire, she said, whereas the Chetniks offered to help the Germans battle the Partisans.

Marshal Tito established Communist control over Yugoslavia at the end of the war, but broke with Moscow in 1948 and went on to

Industrialists, Banks Welcome European Technology Program

By Axel Krause
International Herald Tribune

PARIS — Leading West European industrial corporations and banks, as well as U.S. investors, gave cautious encouragement Thursday to Eureka, a European program aimed at responding to technological challenges posed by U.S. research into space defense and competition from Japan.

Eureka was unanimously approved by foreign and research ministers from 17 countries at a meeting Wednesday in Paris. France, the initiator of the project, was host of the meeting.

Also attending were senior officials of the European Community's commission, who will play an important role in coordinating research programs.

In a brief communiqué issued at the end of the meeting Thursday, the participants committed their governments to "encouraging and promoting the elaboration of concrete projects by industry and research centers from the different countries, as well as devising suitable methods of funding."

They agreed to meet again in West Germany before Nov. 15 to "take new initiatives."

The meeting ended with a consensus among West German, French and British delegates that agreement on the organization and financing of projects would be difficult.

France pledged 1 billion francs (about \$16 million) in government subsidies and loans, but no other country followed the French example.

Upbeat yet cautious executives of the privately owned European companies and banks said they planned to participate in establishing and financing Eureka programs but that they also would insist on the following:

- Continued political support by individual European governments and the European Commission.

- Orientation of projects to the requirements of civilian markets.

- Assurances that industrialists and bankers would play the major role in establishing projects.

"We found the decisions of the political leaders very positive, and we are prepared to participate in sound projects for which we will be formulating proposals," said a spokesman for N.V. Philips, the Dutch electronics company of Eindhoven.

Philips is interested in four of the five sectors outlined for development under Eureka: computers, telecommunications, robotics and new materials.

Philips recently joined Siemens AG of West Germany, General Electric Co. of Britain, and Thomson, France's state-owned electronics company, in coordinating new electronics ventures in both the civilian and military sectors. But that project could be expanded to include others, company officials said.

"Our intention is to keep Eureka projects in which we may participate broadly focused on building advanced systems of high technology, not components, and we also would like to see some sort of governmental or Common Market support" in financing the Philips spokesman added.

Pehr G. Gyllenhammar, chairman of Sweden's Volvo automobile group, said in a statement issued through a spokesman: "Eureka, while still only a sketch, which needs to be completed in a practical way and financed, is constructive. We are in principle agreed to participate."

Volvo, which generates less than half its annual sales outside automaking, is interested in biotechnology, the fifth area designated for development under Eureka auspices, as well as new materials, state-of-the-art factory production and aerospace technologies, Mr. Gyllenhammar said.

In Paris, Serge Dassault, chairman of Electronic Serge Dassault, a family-owned company specializing in advanced electronics technology and that has close ties to the French government, said that he was pleased that France had pledged 1 billion francs as a first step to finance Eureka.

Internal company studies on participating could now go forward, he said. He cited robotics, artificial intelligence and electronic components as areas of cooperation.

Reflecting U.S. institutional investor interest in Eureka, J. Paul Horne, first vice president of Smith Barney, Harris Upham & Co., a New York investment bank, said in Paris that he had already received several inquiries regarding European companies that may join Eureka, notably in the fields of specialized, industry-related computers.

"U.S. investors also are looking at the possible bridge between Eureka and SDI," Mr. Horne added, referring to the U.S. Strategic Defense Initiative.

The U.S. interest, the banker said, stemmed from the fact that companies involved in Eureka and SDI would participate in development of similar technologies on both sides of the Atlantic, with both civilian and military applications.

Foreign Minister Hans-Dietrich Genscher of West Germany, told delegates Wednesday: "Eureka is a necessity, with or without SDI. Eureka is neither a substitute for nor an alternative to SDI."

Beacon Hill Is Sinking

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several buildings, and windows have popped out of their frames.

Mr. Scordas, who represents Beacon Hill and Back Bay on the council, wrote Governor Dukakis asking him to take the steps necessary to get federal funds for repairing the pilings. He has not received a response.

A city study showed that it would cost homeowners about \$250,000 each to replace the 170 to 200 piles beneath each residence, and it would cost Boston \$500,000 to install about 700 new wells to monitor the water level.

Beacon Hill residents have started an association to address the problem, and the group has considered legal action against Boston.

Miss Lane of the Beacon Hill Civic Association said that neighborhood residents were frustrated and angry that a city agency had not replaced the rotting pilings sooner and that they wondered why little had been done to determine the cause of Boston's sinking water level.

"The problem was identified in the late '20s," she said. "Nothing has happened since then."

The water level is dropping about two feet a year, and engineers from the city's Water and Sewer Commission and the Building Department are trying to find out why.

"The more we look into it, the more complicated it gets," said Charles Button, chief engineer for the Water and Sewer Commission.

Mr. Scordas said he feared that the problem would spread beyond Beacon Hill and Back Bay to the other city neighborhoods built on landfill, such as the Fenway and the Boston University area.

"The problem is underground. It's invisible," he said. "But if it's unchecked and it spreads, we have a disaster in the making."

WORLD BRIEFS

Outburst Delays Trial in Papal Plot

ROME (UPI) — The judge presiding over the papal conspiracy case suspended Thursday's session after a defense attorney engaged in a shouting match with the prosecution's principal witness, Mehmet Ali Agca.

Judge Severino Santiapichi lectured Valerio Vianello, the defense attorney for Musa Sertar Celebi, and stopped the exchanges by suspending the proceedings. Mr. Agca, four other Turks and three Bulgarians are on trial for conspiracy in the May 13, 1981, assassination attempt against Pope John Paul II.

The uproar began when Mr. Agca and Mr. Celebi were being questioned about a meeting Mr. Agca said they had in Milan five months before he shot the pope in St. Peter's Square. Mr. Agca testified that Mr. Celebi was his contact with another Turk, Bekir Celik, implicated as an intermediary in the plot. Mr. Agca said Mr. Celebi gave him the equivalent of \$400,000 in Deutsche marks to kill the pope. Mr. Celik is being held by Turkish authorities after his release by Bulgaria.

Marcos Wants Panel to Study U.S. Pact

MANILA (UPI) — President Ferdinand E. Marcos called Thursday for a commission to consider renegotiating an agreement permitting U.S. bases in the Philippines. The United States maintains two bases north of Manila — Clark Air Base and the Subic Bay Naval Base. The Defense Department considers them vital to Western defense.

"I have my own ideas about this whole thing on military facilities," Mr. Marcos, 67, told graduates of the National Defense College during a televised ceremony at the presidential palace. He asked: "Do we really abrogate the military defense agreement? Do we really renegotiate a new agreement or just abrogate it? These are things that would bear studying and investigation."

The U.S. House voted last week to cut the Reagan administration request for \$100 million in military aid to the Philippines in 1986 to \$25 million, while increasing economic aid from \$95 million to \$155 million. The Senate, however, has endorsed the administration request.

The aid is provided for in a five-year pact expiring in 1989 calling for \$475 million in economic aid and \$425 million in military assistance in exchange for Washington's use of bases in the Philippines.

Bonn Lists 82 Tainted Austrian Wines

BONN (Reuters) — The Health Ministry issued Thursday a list of 82 Austrian wines shown by tests to contain the illegal sweetener diethylene glycol, a toxic chemical in vehicle anti-freeze.

West German and Austrian authorities said after a meeting in Bonn that the list, based on 192 positive tests, was provisional and warned it would have to be constantly updated.

Thousands of liters of Austrian wine have been seized since the scandal broke last week, threatening the Austrian wine industry with ruin. Austrian wines containing anti-freeze have also been traced in the Netherlands and Switzerland, and East German authorities have been warned to check imports.

Delegates Criticize Maureen Reagan

NAIROBI (Reuters) — A group of American delegates at a United Nations women's conference said Thursday that President Ronald Reagan's daughter, Maureen, was not representative of the American women at the meeting. Ms. Reagan heads the 29-member official U.S. delegation at the conference, which is reviewing the achievements of the UN decade for women.

In a petition handed to the official delegation, the Women Coalition for Nairobi said no member of the delegation was qualified to speak for American women.

Copies of the petition were not made available to the press but the spokeswoman for the group, Alva Buschbaum of New York, said: "We want to make it clear that Maureen Reagan doesn't represent the vast majority of United States women."

For the Record

A West German woman who worked for the U.S. Army, Gisela Dutzi, 33, was sentenced Thursday in Frankfurt to eight and a half years in prison for helping to plan guerrilla attacks on U.S. military bases and arms depots.

The popularity of Prime Minister Margaret Thatcher and her Conservative Party has slumped to its lowest level ever, according to a poll published Thursday by The Daily Telegraph in London. Sixty percent of those interviewed said they were dissatisfied.

Foreign Minister Eduard A. Shevardnadze of the Soviet Union will arrive in Helsinki on July 29 for his first foreign trip since he assumed his post July 2. The occasion will be the 10th anniversary of the Helsinki conference on European security and cooperation.

Liberia has cut diplomatic relations with the Soviet Union, the Foreign Ministry in Monrovia said Thursday. The ministry said that security forces had arrested 14 students Wednesday for allegedly passing on classified military information to Soviet Embassy officials.

Shah Nawaz Khan Bhutto, 27, a son of the executed Prime Minister Ali Bhutto of Pakistan, was found dead Thursday in his apartment in Cannes, France, police said. They said they had ordered an autopsy, although there was no evidence of foul play.

Eighteen inmates died in April and May at Uganda's Luzira government prison in Kampala, the newspaper Munro said Thursday. The daily, one of the most reliable newspapers in Uganda, said many of the deaths were caused by illness caused by bad food.

The Soviet Union officially apologized Thursday for an incident in the Barents Sea last week in which a Soviet Navy vessel cut a seismicological cable from a Norwegian research ship.

Corrections

The headline of an article Thursday about BankAmerica Corp. erroneously said that the company had earnings in the second quarter. In fact, the company had a \$338-million loss.

In some editions of the International Herald Tribune of July 18, a photograph of Sergei F. Akhromeyev was incorrectly identified as Nikolai V. Ogarkov. The two men are correctly identified at right.



Violence Erupts in Soweto; Other Areas Report Arson

(Continued from Page 1)

Louis Le Grange, to come to Port Elizabeth to discuss the boycott.

Mr. Le Grange's office said that the minister had agreed to meet Mr. Krige in Port Elizabeth, but no date had been set.

Dutch Demand Is Accepted

South Africa has agreed to return to the Netherlands Embassy a Dutch citizen detained on suspicion of smuggling arms into the country, Foreign Minister R.F. Botha said Thursday. The Associated Press reported from Johannesburg.

But Mr. Botha said that South Africa expected the Dutch authorities to then ensure that the man, Klaas de Jonge, be turned over to South African authorities for trial.

Mr. de Jonge attempted to escape police custody last week and had sought refuge at the Dutch Embassy in Pretoria.

Ambassador Hugo Carsten of the Netherlands presented an ultimatum to Mr. Botha on Tuesday demanding that Mr. de Jonge be freed by Thursday because of what the Dutch government said was the illegal violation of embassy premises. The Netherlands had threatened to recall Mr. Carsten over the incident.

Mr. de Jonge, 47, was detained June 23 after his arrival from Zimbabwe, where he held a teaching job. He said that he had come to South Africa to search for work. His former wife, Helena Steyn, 37, who was living in South Africa, was detained about the same time.

Mr. Botha said that Mr. de Jonge was suspected of helping a National Congress guerrillas pile arms in South Africa for fight against the white-minority government.

He said that South Africa ascribes fully to the applicability of international law and the inalienability of diplomatic premises.

Mr. Botha said, however, that South Africa had pointed out that Mr. de Jonge was being with criminal offenses & Arms and Ammunition.

■ **Miners Vote to Strike**
South Africa's National Union of Mineworkers plans the gold and coal mines through a country next month in wage demands, a union woman said Thursday. France-Press reported from Johannesburg.

More than 210,000 miners, 550,000 black in the 29 million is recognized.

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IEFS

Papal Plot

The papal conspiracy case is still being investigated in a trial witness, Melina Ali.

The Vatican's defense team has been accused of attempting to influence the trial.

Mr. Ali was being questioned in Milan five months after the trial.

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Reagan, Shevardnadze To Meet in September, Plan Summit, U.S. Says

United Press International

WASHINGTON — President Ronald Reagan will meet with the new Soviet foreign minister, Eduard A. Shevardnadze, in September to plan for his November summit with Mikhail S. Gorbachev, the White House announced Thursday.

After almost four years of no direct contact with Soviet leaders, Mr. Reagan met in September with Andrei A. Gromyko, former Soviet foreign minister, who is now president.

Mr. Reagan will meet with Mr. Gromyko's successor in Washington after Mr. Shevardnadze meets with Secretary of State George P. Shultz in New York during the opening of the United Nations General Assembly.

Larry Speakes, the White House spokesman, said, "As part of the U.S.-Soviet dialogue and in preparation for the meeting between President Reagan and General Secretary Gorbachev and in expectation of the new Soviet foreign minister's visit to the United States, an invitation has been extended for a meeting in New York with Secretary Shultz."

An invitation was also extended to the Soviet foreign minister to meet with President Reagan in Washington during his time in the United States, Mr. Speakes said. "It is our understanding that this likely will be accepted."

Mr. Reagan and Mr. Gorbachev will meet in Geneva Nov. 19 and 20, the first U.S.-Soviet summit of the Reagan administration.

During his first term, Mr. Reagan had steered away from a summit because of the frail health of Mr. Gorbachev's three predecessors. A White House advance team left Thursday to make arrangements and plan logistics for the summit.

Reagan's Health a Factor

The Washington Post reported earlier from Washington.

White House officials cautioned that a meeting with Mr. Shevardnadze would depend on the president regaining full health by September after intestinal surgery Saturday.

Mr. Reagan had invited Mr. Gorbachev to a meeting in the United States, but the Soviet Union sought a neutral site. A decision for Mr. Shevardnadze to meet Mr. Reagan at the White House could be a gesture by the Russians in response to Mr. Reagan's original invitation.

Mr. Shultz and Mr. Shevardnadze are scheduled to hold their first meeting July 31 in Helsinki.

Mr. Shevardnadze, previously the Communist Party leader of the southern Soviet republic of Georgia, was elevated to foreign minister.

Panel Votes To Bar Some Foreign Aid

By Joanne Omang

Washington Post Service

WASHINGTON — A House appropriations subcommittee has voted to bar any nation from receiving U.S. foreign aid in fiscal 1986 until its government takes "adequate, appropriate steps to provide airport security against potential terrorist activities."

In approving a \$14.3-billion foreign aid measure on a voice vote, the subcommittee on foreign operations also agreed to provide \$1 million to El Salvador to investigate the June 19 murders of 13 persons, including four U.S. Marines and two other U.S. citizens.

The bill next must be approved by the Appropriations Committee before the full House takes it up.

The measure, a \$1.2-billion reduction in President Ronald Reagan's foreign aid request, also provides \$5 million in economic or technical aid to non-Communist rebel groups fighting the Vietnamese occupation of Cambodia.

David R. Obey, a Democrat of Wisconsin and chairman of the subcommittee, which met in closed session, said there was bipartisan support for the airport security language, "to give the president an additional hammer to use over any country that gets aid" to make certain "they are doing the minimum necessary to protect the civilized world from uncivilized actions."

Under the measure, the U.S. president would have to certify that "adequate" measures have been taken before any funds could be disbursed in fiscal 1986, which begins Oct. 1. Mr. Reagan has issued an advisory warning to travelers that the Athens airport is unsafe and has been pressuring Lebanon to improve security in Beirut.

The provision would hold up about \$415 million in aid to Greece, but specifies that any aid request for Lebanon must be submitted to Congress later.

The proposed measure would retain unrestricted aid to Jordan and makes funding to Mozambique conditional on progress in human rights. It withholds 50 percent of aid to Peru, Bolivia and Jamaica until they reduce illegal exports of coca leaf, which is used to produce cocaine.

U.S. Paris Envoy Confirmed

The Associated Press

WASHINGTON — The U.S. Senate on Thursday confirmed Joe M. Rodgers, a Nashville businessman, as ambassador to France.



Casualties of the Beirut truck bombing lined up in an air force hospital in West Germany, in October 1983 to await a visit from the Marine commandant, General Paul X. Kelley.

U.S. Military Initiates Plan to Treat Victims of Terror Raids in Europe

By Richard Halloran

New York Times Service

WASHINGTON — The U.S. military command in Europe has developed a medical plan to handle casualties from terrorist attacks there, according to the Defense Department.

The announcement followed a New York Times report citing an army memorandum that described the handling of the victims of the 1983 truck bombing of a Marine barracks in Beirut as indefensible "medically, morally or ethically."

The European Command "now has an operational plan for these contingencies," the Pentagon said Wednesday in a statement. The plan identifies medical teams, hospitals and specific equipment to care for those wounded in terrorist attacks, it said.

It also said that the army and air force in Europe had contributed to

the plan "in coordination with each other."

The army report cited in the Times article (JHT, July 18) said that the main fault in medical care in 1983 was the lack of "an effective, coordinated plan."

More than 100 American military people were wounded in the Beirut bombing, which took the lives of 241 Marines, sailors and soldiers. Most of the wounded were evacuated by air to American military hospitals in Europe, where, it was charged, some treatment was delayed by inter-service jealousy.

The Pentagon statement acknowledged that "the lack of a full-time, flag-rank United States European Command surgeon remains unresolved." Flag rank refers to a general or an admiral.

The statement said that the Joint Staff, which serves the Joint Chiefs of Staff, "is pursuing this issue with the services." There is a history of a

lack of cooperation among the military services in providing medical care.

During the American-led invasion of Grenada, two days after the terrorist attack in Beirut, army helicopters carrying wounded soldiers were not permitted by the navy to land on the assault ship Guam, which had the only U.S. medical facility in the region.

The assistant secretary of defense for health affairs, Dr. William E. Meyer, said in an interview in March that "the services are separate, very separate from each other."

He described that divisiveness as perhaps the most serious deficiency in medical readiness.

Dr. Meyer said that there was no single medical officer in charge of medical care in either the European or the Pacific unified commands, each service having its own chain of command.

Stockman's Successor Is Said to Be FTC Chief

The Associated Press

WASHINGTON — Congressional sources said Thursday that President Ronald Reagan had decided to appoint James C. Miller 3d, the Federal Trade Commission chairman, as his new budget director, but the White House denied the report.

The White House spokesman, Larry Speakes, said the White House chief of staff, Donald T. Regan, "is still interviewing people for the job and he has not made any recommendation to the president."

Mr. Speakes said a decision would probably be made by the end of the week. The new budget director will succeed David Stockman, who has resigned effective Aug. 1 to take a position with the New York investment banking firm of Salomon Brothers.

"No one has been offered the job," Mr. Speakes said. "The president has not made a decision, nor have there been any recommendations to him."

"There is a list and the list has been narrowed but it includes a number of names," he said.

Even so, congressional sources, who asked not to be identified by name, said the administration was spreading the word that Mr. Miller, an economist, would be named to the post.

Mr. Stockman was an often-controversial budget chief widely admired in Congress for his knowledge of federal programs that comprise a budget totaling nearly \$1 trillion annually. But Mr. Regan has said he hoped the successor would be less controversial and more of a behind-the-scenes "numbers cruncher."

Mr. Miller joined the FTC after serving as resident scholar and co-director of the Center for the Study of Government Regulation at the American Enterprise Institute, a conservative Washington research organization. His appointment as budget director is subject to Senate confirmation.

At the FTC, a spokeswoman declined comment on the report of Mr. Miller's appointment, and said the chairman was out of his office.

During his four years on the FTC, Mr. Miller has moved to temper the aggressively pro-consumer approach taken under Michael Pertschuk, the chairman appointed by President Jimmy Carter. Mr. Pertschuk remained on the commission as a member after Mr. Regan took office and designated Mr. Miller as chairman, and the two men clashed frequently over the proper role of government regulation.

Efforts by House and Senate budget negotiators to compromise collapsed Wednesday, dimming hope of a comprehensive deficit-reduction package this year. In a separate development, senators concerned with farm issues ap-



James C. Miller 3d

peared determined to draft a four-year farm bill that would commit substantially more money for agriculture than the administration asked for in January.

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Budget Talks Broken Off; Conferees 'Pessimistic'

By Helen Dewar

Washington Post Service

WASHINGTON — House and Senate negotiations for the 1986 budget were on the verge of collapse after an acrimonious session in which Senate conferees rejected a proposed compromise from the House, and said they saw little hope of reaching an agreement.

The talks were broken off indefinitely Wednesday night.

Negotiators had worked six months to produce more than \$250 billion in spending reductions to cut budget deficits by half over the next three years. The deficit was at \$156.6 billion in the first quarter of 1985 and is projected at more than \$200 billion for 1986. Both sides agreed that the talks had hit a low point and that the outlook for agreement was bleak.

Pete V. Domenici, chairman of the Senate Budget Committee, said, "Frankly, everywhere I turn, I don't see a way to go." Mr. Domenici, Republican of New Mexico, said the talks would resume when "we have something to talk about."

House negotiators urged the senators not to break off the talks, but Representative William H. Gray 3d, the House Budget Committee chairman and a Democrat of Pennsylvania, said that he, too, was "a little pessimistic."

However, Representative Delbert L. Latta of Ohio, the ranking Republican on the House budget panel, emerged from a private conference of House and Senate members Wednesday night saying he thought a resumption of the talks was possible next week.

The House speaker, Thomas P. O'Neill Jr., Democrat of Massachusetts, said he was "disappointed that the Senate decided to pull away from the conference table."

"If President Reagan can negotiate with General Secretary Gorbachev," Mr. O'Neill said "then the Senate can negotiate with the House. Let's get back to the table."

The House offered Tuesday to make \$24 billion in additional domestic spending cuts over three years while moving closer to acceptance of the Senate and White House demands for a military budget that would give the Pentagon increases next year covering all of inflation.

The House offer was rejected as insufficient by the senators, who were still bristling over the White House and the House's rejection of their proposal to freeze Social Security benefits.

In several hours of often-bitter haggling, House members accused senators of setting "moving targets" for spending cuts, and senators accused House members of following only those parts of the White House agreement that suited their purposes, such as providing a full inflation adjustment for Social Security benefits but not for the military.

Senator Slade Gorton, Republican of Washington, said the House offer was dictated by a philosophy of "what's ours is ours and what's yours is negotiable."

Labeling as "hogwash" Senate charges that the House was flinching from serious cuts in domestic spending, Representative Gray complained that White House and Senate Republican leaders keep raising the ante.

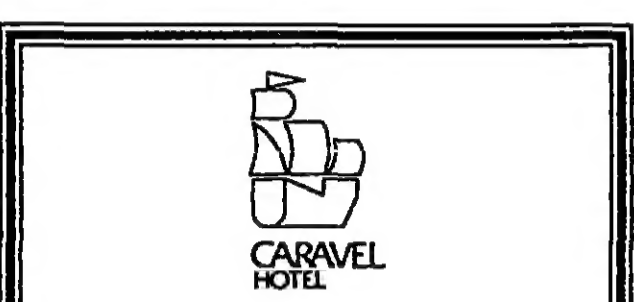


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Panel Cuts Reagan Arms Requests

By Sara Fritz

Los Angeles Times Service

WASHINGTON — A House-Senate conference committee dealt further setbacks to President Ronald Reagan's military program this week as it worked toward agreement on the 1986 defense authorization bill.

The conferees agreed Wednesday to limit deployment of MX missiles to 50, or half the number sought by Mr. Reagan, and to cut \$1 billion from his request for space-based defense weapons, according to congressional aides.

Mr. Reagan's arms requests have already been cut several times during the last few months as the defense authorization bill has made its way through Congress.

The MX agreement would put a statutory limit of 50 on the number of missiles unless the administration alters its plan to put them in existing Minuteman silos, which are considered vulnerable.

The conferees were said to have agreed to authorize \$2.75 billion for research on Mr. Reagan's Strategic Defense Initiative, popularly known as "star wars." This was \$1 billion less than his request.

But they agreed to \$724.5 million, \$100 million more than the administration wanted, for development of the Midgetman missile, the sources said. They also allowed three new tests of an anti-satellite weapon against a target in space.

The panel remained deadlocked on the conditions for modernizing the U.S. chemical weapons stockpile, the aides said.

The committee's task was to resolve an estimated 1,000 differences between the House and Senate versions of the military authorization bill.

Once the panel completes work, it will send its report to both chambers for final approval. Money will still have to be approved in separate bills.

Although the conference committee provided less than President Reagan sought, both Republicans and Democrats found some victories.

Democrats were pleased that the committee had heeded up funding for the Midgetman missile over the objection of the Republican members; Republicans noted that the bill would allow the administration more money and flexibility for development of the space-based missile defense program.

Administration officials were expected to be most disappointed by the MX compromise, because it imposes a firm limit of 50 on deployment instead of requiring a so-called "pause" sought by Mr. Reagan.

However, the president and Defense Secretary Caspar W. Weinberger are expected by November to mount a new drive for deployment of the 100 missiles they originally requested.

But the agreement was more generous to the administration on the MX than was the House-passed bill, which cut the deployment level to 40 and permitted no missiles to be manufactured in fiscal 1986.

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U.S. Hopes to Inspect 2 Soviet Helicopters in Pakistan

The Associated Press
ISLAMABAD — The United States is optimistic that Pakistan will allow U.S. military experts to inspect two Soviet-made helicopter gunships that were flown to Pakistan by defectors from the Afghan Air Force, Western diplomats said Thursday.

The heavily armored Mi-24's, code-named Hind by the Western military alliance, landed at a Pakistani border town last Saturday. The seven Afghans aboard asked for political asylum.

The gunships, reported to be the Soviet Union's most advanced, are armed to strafe ground forces or to shoot down enemy helicopters. Their heavy armor plating makes them resistant to gunfire.

The arrival of the Mi-24's in Pakistan was the first time that this type had fallen into the hands of a nation allied to the West, diplomats said.

"Obviously our military people want to get their hands on these things if at all possible," said a Western diplomat, who asked that his name not be used.

"Given the strong military rela-

tionship between the two countries there is a very strong likelihood that the U.S. is going to get a good look at those helicopters," he added.

The United States is Pakistan's main supplier of weapons and military aid, and is providing it with \$3.2 billion in military and economic aid over a five-year period.

The Mi-24 has proved to be one of the most successful Soviet weapons in Afghanistan. It carries four laser-guided anti-tank missiles and 150 air-to-ground high-explosive rockets, as well as cannon and heavy machine guns.

A Pakistani spokesman said Thursday no decision had been made on the helicopters or their crews. Afghan military defectors are given asylum in Pakistan, which backs the guerrillas in the struggle

against Soviet troops and the Soviet-supported regime.

But the future of the helicopters has been clouded by the arrest of two Pakistani Embassy employees in Afghanistan. The two were seized Tuesday and accused of spying, the Afghan radio reported.

On Wednesday, the Pakistani Foreign Ministry demanded the release of the two and denied that they had been engaged in illegal activity.

Pakistani and Western diplomats suggested that the arrests were linked to a return of the helicopters.

Progress in Peace Talks

David B. Oatway of The Washington Post reported earlier from Washington: The visiting Pakistani foreign

minister reported Wednesday that there had been "concrete progress" in the latest round of negotiations with Afghanistan in drafting an agreement to settle the war there.

Speaking to reporters, Sahabzada Yaqub Khan said the two sides had drafted the texts of what he called the "legal instruments" of four separate parts of an overall agreement.

The accord would provide for the withdrawal of Soviet forces, which entered the country in December 1979, and also for guarantees by the United States and the Soviet Union.

He said the texts were "fairly well advanced" as a result of work in Geneva in June by Pakistani and Afghan negotiators, at the so-called "proximity talks" held under United Nations auspices.

8 Die in Riot, Curfew Set In India's Gujarat State

Reuters

NEW DELHI — At least eight people were killed and 100 wounded Thursday as violence broke out again in Ahmedabad over job and college quotas for underprivileged groups, the Press Trust of India reported. The violence was reported only a day after government troops pulled out of the city in western India.

Official sources said the clashes erupted simultaneously in different areas and continued past midnight. Indefinite curfews were imposed Thursday on two areas of the textile center in Gujarat state after police, using rifles and tear gas, failed to disperse rioters. The news agency said four people were killed by police gunfire and three others died of stab wounds.

The news agency quoted J.F. Bhebe, the state's police chief, who was sent to Ahmedabad by Prime Minister Rajiv Gandhi's government earlier this month, as saying police would put down the fresh violence without recalling troops.

Leaders of a four-month campaign against job and university quotas cancelled plans for a protest strike Thursday to prevent further violence.

Student leaders said, however, that they planned to defy orders banning marches and gatherings with at least four processions in Ahmedabad starting Friday.

Soviet Sends North Korea Advanced MiG-23 Jets

By Don Oberdorfer

Washington Post Service

HONOLULU — The Soviet Union supplied North Korea with advanced MiG-23 jets for the first time this spring, suggesting a change in military relations between the two allies, according to U.S. military officials.

North Korea is believed to have sought advanced warplanes for years, but the Soviet Union and China were cautious about supplying material that might aid or encourage the militant North Koreans to undertake an attack against South Korea.

A Soviet decision to supply a substantial force of MiG-23s, the first six of which were detected in

May, is believed by the U.S. officials to have resulted from the visit to Moscow in May 1984 by Kim Il Sung, the North Korean leader.

The visit, the first by Mr. Kim in 20 years, was interpreted as a sign of improved relations.

Some U.S. specialists on Asia had been expecting the Soviet Union to supply North Korea with MiG-23s, especially since the Reagan administration began selling F-16s to South Korea. The delivery of the first 36 F-16s is scheduled for April.

The Carter administration had declined to supply the plane to the South Koreans on the ground that it might provoke North Korea's allies and fuel the already intense

arms race between the two Koreas.

[In Washington, a State Department spokesman, Robert Smalley, said that "we are still examining the implications for the military balance in Korea of the delivery of MiG-23s." The Associated Press reported. He added that the deliveries "have apparently not yet ended."

The U.S. Air Force has a wing of F-16s, about 48 planes, stationed at Kunsan Air Base in South Korea. The MiG-23, while a major improvement over planes now used by North Korea, is considered no match for the top-of-the-line F-16.

Confirmation that North Korea had obtained MiG-23s came from

senior officials at the headquarters of the U.S. military commander for the Pacific, Admiral William J. Crowe Jr., who was selected by President Ronald Reagan this month to be the next chairman of the Joint Chiefs of Staff.

Despite the delivery of MiG-23s, a senior official said, the Soviet Union and China are believed to remain opposed to a new outbreak of hostilities between the two Koreas.

What concerns senior officials in Honolulu is whether the Soviet Union might have obtained concessions or benefits from the North Koreans in return for Moscow's expanded aid.

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Justice B.N. Kirpal, right, head of the inquiry into the Air-India crash, at Bombay news conference Thursday.

Air-India Tape Yields Few Clues
Reuters
BOMBAY — U.S. aviation experts said Thursday that an abrupt end to a voice recorder tape had not established whether an Air-India Boeing 747 jet that crashed last month had been bombed.
R.V. Kuzman, a senior engineer from the aircraft manufacturer, said, "The replay showed normal cockpit conversation between pilots and ground control for the 30 to 32 minutes that it ran. But there was a sudden increase in sounds and the tape abruptly ended."
Paul Turner, a voice recorder expert from the U.S. National Transportation Safety Board, said it was too early to draw any conclusion. The Press Trust of India reported Wednesday that computer printouts from the Boeing 747's digital flight data recorder had established that an explosion occurred when the airplane crashed June 23.

China to Speed Amends For Abused Intellectuals

BEIJING — The Communist Party of China has set a two-year deadline for making amends to intellectuals it has abused since the

Communist takeover in 1949, the People's Daily said Thursday. Educated people who were imprisoned, impoverished, exiled and humiliated during China's leftist campaigns must have their reputations restored before the next party congress, in 1987, an official Wang Zhaojun, said at a conference.

Mr. Wang, deputy head of the Central Committee's organizational department, said many victims of mistreatment have been rehabilitated in the last six years.

"But we must admit that there are still cases of intellectuals let over from the past, which are unresolved or only partially resolved," he added.

During the years of China under Mao, from 1949 to 1976, the largely self-educated peasant's son repeatedly denounced intellectuals. In 1957 and again during the Cultural Revolution, from 1966 to 1976, Mao belittled intellectuals.

Many educated people perished in prisons and labor camps. Hundreds of thousands spent long years in rural exile doing menial work. Their property was confiscated; they lost their jobs and they were subjected to humiliating "struggle sessions."

Since 1979, Deng Xiaoping, China's leader, has insisted that intellectuals are vital to development. The press reports, however, that educated people are still despised and underpaid, especially in the provinces.

The party has complained that efforts by intellectuals to recover plundered libraries and homes from new occupants are far from complete.

Last November, the police announced that they had removed "class enemy" tags from the records of 79,504 people, the last stigmatized with this Marxist class war label.

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SW DELHI — At least eight
were killed and 100 wounded
in Ahmedabad over job and
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peasants, the Press Trust of India
reported. The violence was reported
only a day after government
police pulled out of the city.
Official sources said the clashes
broke out simultaneously in different
parts of the city. The police
used tear gas and fired in the
center in two areas of the city.
The police used tear gas and fired
in the center in two areas of the city.
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head of the inquiry into the
crash conference Thursday

helds Few Clues

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Intellectual

Communism takeover in the
People's Daily said Thursday.
Educated people who were
prisoners, impoverished, and
humiliated during China's
campaigns must have been
restored before the 1979
congress in 1979, an official
Zhuang said at a conference.
Mr. Wang, deputy head of
the central committee's
department, said many of
the intellectuals had been
restored in the last six years.
But we must admit that
we still have a long way to
go from the past, which was
a sad and painful period.

July 19, 1985

Page 5



A scene from Nureyev's "Washington Square" at the Paris Opera.

From Lifar to Nureyev and the Moderns, Busy Days on the French Dance Stage

by Anna Kisselgoff

NEW YORK — "For centuries, Paris was a dance capital and it remains so as well today." This sentence by Jacques Chirac, mayor of Paris, introduces an exhibition in the French capital, entitled, "Four Centuries of Ballet in Paris." Whether Chirac could have so confidently affirmed that Paris was a dance capital 10 years ago is problematic. Nonetheless, things have changed. The goings-on glimpsed on a visit in the last month, for instance, have been unusually varied.

Rudolf Nureyev's new ballet version of Henry James's novel, "Washington Square," was on view at the Paris Opera Ballet, where he is artistic director, and Maya Plisetskaya, the Bolshoi ballerina, was appearing at the Théâtre de l'Odéon as a guest in the title role of Jean Cocteau's and Serge Lifar's 1950 "Phédre" with a company from Nancy. A major event of the season is obviously the Paris Opera's revival of Meyerbeer's opera

"Robert le Diable" for the first time since 1893 — although its historically celebrated Romantic ballet scene, "The Ballet of the Nuns," has been turned into a parody replete with a Folies-Bergère type of bare-breasted female ensemble and a campy joke (the hero rejects the advances of four nuns).

Yet a look at the past by no means defines the emphasis in French dance today. The many modern-dance companies that emerged in the late 1970s are consistently in the public eye. Even general advertisements, as for men's clothing, in news magazines, can include a view of dancers in layers of practice clothes. Obviously, the ad agencies who provide market profiles know that images of dancers, here specifically identified as modern dancers in a studio, can help sell even an unrelated product.

Dance is a household term now in French life, thanks in part to the spread of government-subsidized companies throughout the country. Most of these are small modern-dance troupes. And while it may be tempting to generalize from a patchwork of random

viewing, the most interesting creative work came from the modern-dance side rather than the ballet I saw.

In the city of Angers, the Centre National de Danse Contemporaine, under its new young director, Michel Reillac, presented one of its commissioned premieres. This was "Le Royaume Millénaire" by the Esquisse company of Joëlle Bouvier and Régis Obadia. When this troupe appeared at the American Dance Festival in 1983, its restricted themes and restricted range of movement seemed to promise a dead end. Happily, the two young choreographers have avoided a cul-de-sac. Their new work has an imaginative poetic theatricality — suggesting the remnants of existence in a decaying castle. There was one grand moment when 10 Persian carpets cascaded down from the ceiling.

MEANWHILE in Paris, Maguy Marin, also an ADF visitor two years ago, mixed Mahler and pop music to spectacular and poignant effect in her view of civilization and its discontents in "Babel-Babel." This dance-theater piece should be included when this company comes to the City Center here in February.

Nureyev's "Washington Square" is full of interesting, even brilliant ideas. Yet it functions best in concept rather than in execution. As a total production, it fails. The choreography is busy and inexpressive of a dramatic, emotional situation. There is also a disastrous piece of decor that occasionally bisects the stage and prevents some in the audience from seeing the action. The dancers do not all seem at ease in roles that, even if "explained" to them, are too remote from Henry James's own characterizations to cohere into a dramatic whole.

And yet Nureyev has created some exciting ensemble scenes that suggest where he could have gone right rather than wrong in another ballet. These are phantasmagoric and delicious passages. Some are dreamlike, sheeted episodes that refer to the characters' lives. Yet most are outwardly irrelevant and cartoon-like images from American history. Significantly, this is the America of the Ku Klux Klan seen by Europeans, and it is an image of America that is decidedly at odds with James's own sensibility.

By splicing in these phantasmagoric scenes into the narrative — which is an intimate tale involving four main characters — Nureyev actually ends up with two ballets. A straightforward narrative about a young heiress in mid-19th-century New York society — betrayed by a fortune-hunting suitor, her rigidly protective father and her meddling aunt — is turned predominantly into a superficial commentary on 19th-century America.

James does not include such scenes in his own novel. There are no references to the Pilgrim Fathers, marching bands, cowboys. Fourth of July celebrations, black men with dollar signs on their trousers or Ku Klux Klan processions in James's story. Why has Nureyev used such figures, who cluster occasionally around a huge head of a Statue of Liberty?

Mostly, one suspects, because such images are inspired by the music that he has chosen — selections from Charles Ives that com-

Continued on page 7

Arab East and Roman West Mingle at Jerash Festival

by Rami G. Khouri

AMMAN — If you happen to be in Jordan this or any other July, you would do well to drop by the magnificent ruins of the Greco-Roman city of Jerash and watch dancers twirl, singers sing, actors prance, poets declaim, and history stand on its head.

For 16 days this month, the fourth annual Jerash Festival of Culture and Arts brings the ancient city in northern Jordan back to life with a rich and varied fare of performing and visual arts from 21 countries.

Two thousand years ago, political, economic and cultural forces from East and West collided, then meshed, at Jerash and other eastern provincial cities, as the Roman Empire expanded to the southeast from the first century B.C. to the third century. The synthesis of Greco-Roman culture and the indigenous Arab culture left its mark in art, urbanism and architecture. Today, this can be appreciated in a string of Greco-Roman provincial cities throughout Jordan and Syria, whose sprawling stone ruins testify to the timeless human instinct for beauty and prosperity.

In a great historical irony, the Jerash Festival has revived the city's role as a meeting place of cultures and art from East and West. This time, however, the initiative has come from the Arab East, and not from the Roman West. The drama of human contact is still there, but with some important differences.

Today, the impetus for cross-cultural contact is not conquest, but human communication; the instruments are not weaponry or trade, but song, dance and music; the result is not imperial expansion, but a celebration of the universal quest for pleasure and understanding through art and the spirit of human creativity.

The Jerash Festival has quietly snuck up into the big league of international art festivals. It is by far the biggest single such festival in the Middle East and is thought to be the second biggest international festival (after the Edinburgh Festival) if measured by the number of performances and exhibitions in the program.

It has sensibly refrained from international or even regional publicity up to now to concentrate instead on mastering the mechanics of putting on such a large show for a sustained period. This year, the 16-day festival boasts 88 different troupes, performers or exhibitions from 21 countries, putting on a total of 257 performances. It began this year on July 11 and runs to July 26.

A total of 1,500 Jordanian participants and 800 other Arab and foreign performers perform daily shows between 5 P.M. and 1 A.M., entertaining an average of 10,000 to 12,000 visitors a day. Some 200,000 people are expected to visit the festival this year, most of them from within Jordan. Next year, the festival organizers, in cooperation with the Jordanian national airline Alia, the state tourism authorities and private travel agents, will launch an international campaign to attract visitors to Jordan during the period of the festival.

At any one time during the festival, at least 10 performances or art and crafts exhibitions are on offer in different corners of the ancient city ruins. In most cases, the Roman structures from the first and second centuries are used as performing arenas, including the handsome South Theater, the immense Oval Plaza, the steps of the Temple of Artemis (daughter of Zeus, sister of Apollo and patron goddess of the Roman Goddess), the underground vaults of the Temple of Zeus, and several of the colonnaded streets.

THIS simultaneous use of all quarters of the Roman city not only allows the large number of daily visitors to be accommodated, but also gives the festival its special, and very lively, atmosphere. Throughout the warm late afternoon and evening hours, as families with their children stroll throughout the vast ruins of Jerash, they stop for a snack or a soft drink; rest for a few moments on the side of a toppled Roman Corinthian column capital; pause for a few minutes to watch a dance troupe, listen to a poetry recital, view an archaeological or art exhibition, or watch local craftsmen and women at work; or simply wander aimlessly amid the bustle of creativity that the old stones of Jerash have not experienced since the Emperor Hadrian visited the city in A.D. 130, during the heyday of its wealth and splendor.

From its inception, the Jerash Festival was designed as a nonspecialized and "popular" festival, with a wide variety of events catering to every possible taste. This year, for example, the festival has 12 different theatrical productions, including puppet shows, an ambitious pan-Arab play with actors and staff from seven Arab countries, French

marionettes and modern dance troupes from Belgium and Lebanon; 19 different musical groups from Jordan and around the world, including the United States, Australia, Canada, Poland, Tunisia, Iraq, Egypt and Saudi Arabia; 14 folklore troupes from Jordan, Palestine, Egypt, Turkey, the Soviet Union, Spain, and the United States; a show of Iraqi fashions throughout the ages; the London City Ballet and the Brigham Young dance group; crafts exhibitions from Jordan, Turkey and Iraq; an exhibition of Jordanian fine arts, and another of local antiquities from the last 500,000 years of human civilization in Jordan; a children's Arabic book fair and puppet exhibition; and, as a sign of the times, a display of Arabic-language "cultural" computer software.

FOURTEEN other countries wanted to participate this year, but could not be accommodated for lack of space, according to the festival director, Mazen Armouti. Next year, the festival will probably be expanded to a full month to satisfy the interest shown by both performers and audiences.

Armouti, like everyone else involved in organizing the Jerash Festival, serves as an unpaid volunteer. His regular job is as chairman of the journalism and communications department at Yarmouk University, in the north Jordanian city of Irbid. It was at Yarmouk that the festival idea was born five years ago, when Jordan's Queen Noor suggested it to a group of students and professors in 1980. A three-day pilot festival in 1981 was expected to draw only 5,000 to 10,000 visitors, but more than 100,000 came. The festival organizers quickly realized that there was great demand among the Jordanian public for such diverse cultural fare. The annual festival was designed to meet that demand, but also to allow Jordanian performers and artists the chance to be exposed to large Jordanian audiences and to quality performances from around the world.

The festival organizers are particularly keen to maintain the diversity of offerings, "so that Jordanians who may not have the means to travel abroad may have access near home to a broad range of the best in international music, folklore, dance and theater," Armouti said.

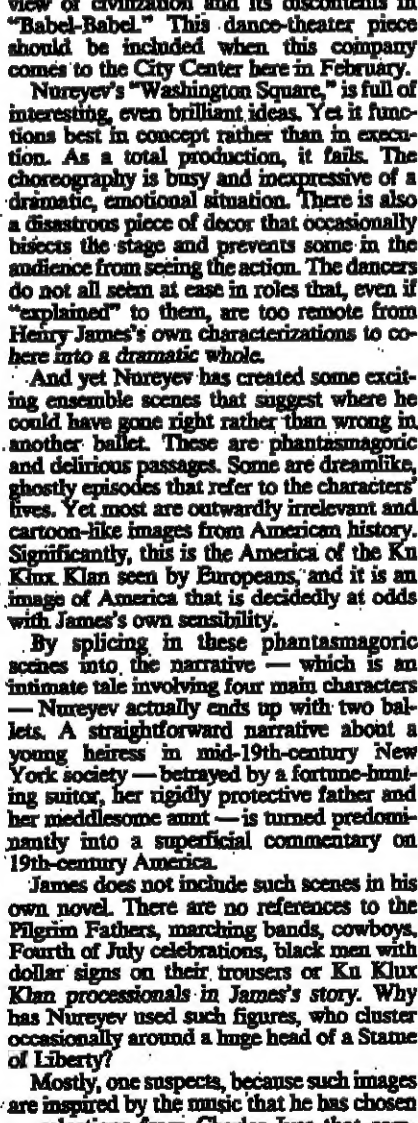
Another aim of the festival is to prod the development of local artists, whether dramatists, dancers, musicians, poets, painters or folklore troupes. The festival committee contributes some \$200,000 a year to local groups chosen to perform at the festival, who are also subjected to the kind of critical appraisal that is vital to their artistic development.

"It's a long-term process," notes Leila Sharaf, deputy chairwoman of the Higher National Committee for the Jerash Festival. "We hope the Jerash Festival will be a catalyst to prod the development of culture and the arts in Jordan, and to provide an attractive forum for old talents to mature and for new talents to bud," she said.

Rami G. Khouri, former editor of the Jordan Times, has recently completed books on Jerash and Petra.



Sylvie Guillem in new Béjart ballet.



Stonecarver and his wares.



Art show in the vaults of the Temple of Zeus; above, a stonecarver and his wares.

Festivalitis: Summers of Culture and Winters of Discontent

by Albrecht Roeseler

MUNICH — Every year between May and October culture in Central Europe goes onto the road. After hibernating in the cities, theater and concert life moves into the countryside. No ancient ruins, no castle, no courtyard remains unused by mobile stage or chamber music groups; every 10 miles while driving through the country you cannot escape the summer infection by festivalitis. From Salzburg to Fiesch, from Wiesbaden to Wundt, the country seems to be a spiderweb of cultural activities.

This is by no means limited to national boundaries; it was even by official appointment that this continent chose to proclaim a European Music Year and to herald Athens (other cities to follow) as Capital of Culture in the European Community. According to an international organization of European music and arts festivals, their activities should always be superior to ordinary programs "and they are expected to 'reach the character of extraordinary solemnity.' It seems quite a while ago that the word 'summer season' was a mocking term.

Of course, every single event claiming to be spectacular can be of interest — even for those who do not go to concert halls or theaters during the winter season in their hometowns. It is rather the seasonal holiday mood and wanderlust that help immensely to spread this epidemic of festivalitis — regardless that sitting through an outdoor performance can make you feel as if you had spent an evening in a deep freeze.

But even indoor spectacles that catch people's eyes, like a hummingbird against the gray background of everyday culture, can count on attracting an unforeseen number of visitors. If, for example, you present a special exhibition of Szechuan Gold in Munich or of the Peking Imperial Treasures in Berlin, you can be sure to persuade more people to come than just the ordinary museum trotters. Some years ago, a little, pretentious Akhenaton exhibition attracted four times as many viewers within a month than the permanent Egyptian Collection in Munich during the entire year. The Frustians in Berlin, the Medici in Florence, the Stuarts in Stuttgart proved to be immensely attractive for tens of thousands of people. The display of Etruscan art in northern Italy this summer is scheduled to

catch the attention of more than 20 million visitors — a number that causes dizziness in museum directors.

It is the ever-increasing free time we enjoy that makes us seek up new knowledge from the treasures of our past. Or is it just the plain pleasure we take for granted when traveling to our holiday destination? A mixture of both, probably. Nevertheless, culture has retained its social prestige. Having undertaken a proper pilgrimage to Monet or Watteau makes our genuine interest mingle with the snob appeal.

EVEN without that "solemnity" prescribed by the European festival fathers, you may notice the people with offerings of a more doubtful nature. This year's Munich theater festival, a distant offspring of the "progressive" event in Nancy, France, offered rather mixed performances in cold, windy tents during a rainy fortnight and yet attracted 150,000 young spectators. Most festivals of such informal nature — forget the black ties of the Salzburg and Bayreuth festivals, which are sold out every year in a jiffy — can count on only limited subsidies from local or national funds. And yet, local stage

companies that have struggled through their Munich winter season no sooner move out of their permanent quarters into those shabby festival tents than they get packed houses with exactly the same productions.

It seems that Germans, whose municipalities in the federal republic support 50 opera and 100 theater companies, plus several hundred museums and art collections, are getting a bit tired of "state culture" and tend to prefer the summer, the mobile culture offering more unexpected events. Permanent companies compelled to put on a certain number of performances are sometimes hard put to fulfill their duty to the taxpayers. Mobile "festival companies" may restrict themselves to short-run productions that can be sure of their audience.

Therefore, to take Munich as an example, it is with much skepticism that this city awaits the opening of its huge new cultural center. Several concert halls, a public library, adult colleges and the city's music conservatory stuffed under the roof of one giant, clumsy, brick structure (already nicknamed the *Kultur-Bunker*) is as much of a challenge to the visitors as to the managers.

Within the last few years in Munich, new theaters and other buildings, cultural "hardware," have been construct-

ed with the help of public funds. After the opening of the new Gasteig center, Munich will offer daily no less than 20,000 seats for classical music, plays, opera, ballet etc., many of them heavily and permanently subsidized. In order to satisfy the interest, the Munich Philharmonic will have to double the number of its music programs, and many private impresarios and managers will have to fill those gaps in the cultural "software" that the city planners have left vacant.

To keep subsidized culture going requires more than building new stages and platforms. It needs permanent imagination and permanent energy by individuals. And the very absence of financial risk — the budgets of the big theaters and opera houses are city-guaranteed — might jeopardize permanent creative sources. It seems much easier these days — particularly during the summer months — to organize successful festivals than to hibernate securely through a heavily subsidized winter season in the big cities. The summer mobile culture may be a disease, but it remains a challenge.

Albrecht Roeseler is cultural editor of the Munich newspaper *Süddeutsche Zeitung*.

TRAVEL

The Crillon: A Classic Renewed

by Paul Goldberger

PARIS — You could put almost anything behind the facade of the Hôtel de Crillon and it would be all right. For no other hotel in the world has a front like the Crillon: It sits behind the great flank of classical facades designed by Jacques-Ange Gabriel in the mid-18th century for the northern side of the Place de la Concorde. It is as noble a site as exists in Paris, directly on the square that is the city's physical and spiritual heart.

The western end of these monumental facades — 10 Place de la Concorde — has housed a luxury hotel since 1909, two years after the descendants of the Comte de Crillon sold the property that the count had purchased in 1788. The hotel has honored the count with its name ever since, though there have been years when the count had been alive, might well have wondered whether he would not have preferred to decline the honor. Though the Crillon's location and history have always made it one of Paris's most celebrated luxury hotels, in some periods its quality has been nowhere equal to its legend or its architectural splendor.

The worst years were surely the 1960s and the early '70s, when the Crillon seemed not only lackluster but badly cared for as well. Now, a new management, under the ownership of Jean Taittinger of the Champagne family, has completely renovated the hotel, making it one of the city's best.

The renovation, which began in 1981 and is now basically complete, is part restoration, part alteration. It is sensitive to the architecture, but not slavishly so; the aim of Taittinger, along with the designer Sonia Rykiel, who served as a consultant, and Philippe Roche, the general manager, was gently to balance the Crillon's historical dignity with some contemporary zest.

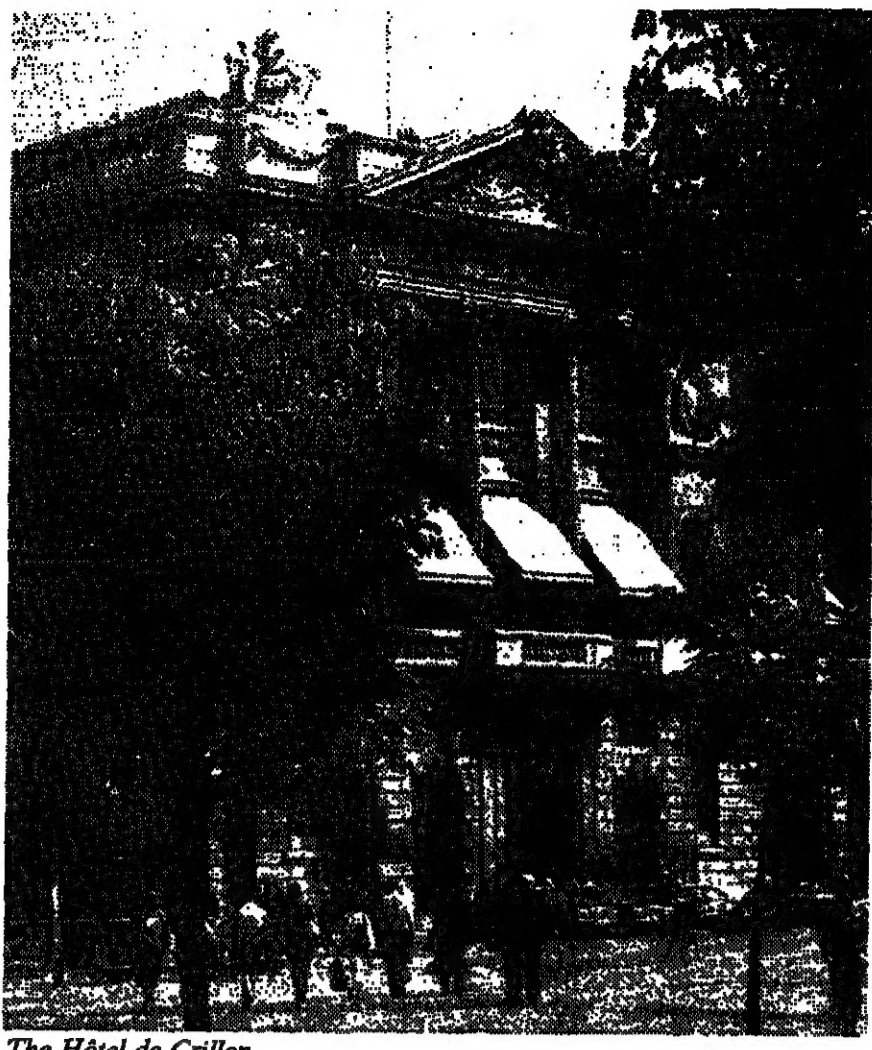
That is essentially what they have done. Entering the Crillon now one does not come upon the hushed quiet of the Ritz or the more hard-edged hauteur of the Bristol, or the self-assured briskness of the Plaza-Athénée, the city's best-kept hotel machine. The Crillon is something else — a monumental piece of classical architecture behind which sits a hotel of vibrant elegance.

The public rooms on the ground floor have been reorganized and in some cases completely rebuilt. One of the finest interior spaces, the great salon of marble and mirrors fronting on the square, is finally what it should always have been — the hotel's formal dining room. It houses Les Ambassadeurs, the Crillon's main restaurant, which has two Michelin stars.

There is a rich glow to Les Ambassadeurs; it is a truly great space, as much like a ballroom as a dining room, although the arrangement of tables preserves a sense of intimacy, and the room never feels overwhelming.

The result is certainly not the soft and cool aura of the private Parisian town house, to which so many hotels aspire; the lobby pulsates with a crisp, sleek luxury, made more contemporary still by a grouping of lush, modern Italian leather chairs. The chairs are the one mistake, for they push the lobby just a bit too much toward an American kind of aesthetic, one that mixes styles and periods with energetic abandon.

But if the lobby's décor wavers a bit in the direction of glitter and confusion, the room is nonetheless welcoming, and it connects with the lounge next to Les Ambassadeurs, where tea and drinks are served, to form a generous series of public spaces. Beyond the lobby, which was created out of a former smaller lobby and an obsolete carriage entrance, is the bar and a smaller dining room, called L'Obélisque. There the Crillon provides an amenity that most luxury hotels disdain — simple, relatively informal dining at the same level of quality as the main restaurant. The menu at L'Obélisque, like that of Les Ambassadeurs, is the work of Jean-Paul Bonin, the chef, and the room,



The Hôtel de Crillon.

which occupies part of the former main dining room, is handsome.

The guest rooms have been well restored, with a mix of antiques and reproduction French furniture, and they are comfortable, if not enormous. The new bathrooms are lined in travertine marble, which is luxurious but seems clichéd to American eyes: one misses the great tiled bathrooms of many other Parisian luxury hotels.

Relatively few of the 200 rooms face directly onto the Place de la Concorde; since the hotel stretches far back along Rue Boissy d'Anglas, which runs into the square, most rooms face either this side street or interior courts. Double windows insulate the rooms from the ceaseless traffic, so noise alone is no reason to request an interior room, but the courtyards are exceptionally pretty, and the views onto them, at least from the upper floors, are classic Parisian rooftop vistas.

Nothing, however, can equal the view from those treasured rooms on the Place de la Concorde, many of which are among the hotel's 48 suites. All have been furnished superbly, particularly the *grands appartements*, the extraordinary suite on the first floor was long the hotel's banquet rooms. There is no hotel room anywhere like this suite. There may be larger ones, though it is hard to imagine them, but there are surely none better situated. On this level, neither too high nor too low, the traffic slips away, silently, as the great monuments and the immense, flowing space of the Place de la Concorde, space that flows on and on like the water from a fountain, fill the eyes.

One gets a similar sense from any room at the Crillon, or from walking out of the hotel onto the square in the morning, and returning at night. However fine the hotel's décor, service and ambience have become, the greatest thing about it is still its location.

Few cities have squares as central to their geography and their history as the Place de la Concorde is to Paris. It is here that the two great axes of the city intersect, the vista from the Louvre through the Arc de Triomphe

and the vista from the classical colonnade of the Madeleine to the Chamber of Deputies across the Seine.

The square is all the more remarkable for being so undefined by buildings; rare is urban space that is not walled in by architecture as powerful and clearly comprehensible as this. Gabriel's structures, for all of their monumental splendor, are really just facades, stage sets of stone intended to provide the one clearly defined edge for the immense square, which is open on its other sides to the Tuilleries, the Champs Elysées and the Seine.

It all works because these stage sets just happen to be among the great works of classical architecture in France, and as much a symbol of the Place de la Concorde as the Egyptian obelisk that has been in the square's center since 1836. Gabriel's buildings, designed in 1758, are a superb composition: Their bases of rusticated stone, above which are long central colonnades and end pavilions topped with pediments, rhythmically define streets and corners and function as a solid wall for the square.

It was Louis XV who gave the land for the Place de la Concorde and in whose honor it was built. Only facades were erected, not out of laziness but because the king and the architect were more concerned with building the square than with filling its real estate; they intended to allow private owners to put buildings behind the great facades, but they did not want to take the chance that any of these private buildings had facades that interfered with the square's overall design. And so it was that Louis Tronard purchased the westernmost end of the facades and built a great private house, which was sold to François-Félix-Dorothée Berton des Balbes, Comte de Crillon, whose family retained it until 1907. In 1909, it was turned into a public hotel, and the modern history of the Crillon began.

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An Empire Built on Oranges

by Joseph Giovannini

EARLY in this century, Charles F. Lummis, the noted historian of Southern California, said that for the region the navel orange was not only a fruit but a romance as well. More recently, it was termed an aesthetic. Indeed, the owners of groves cultivated not only the navel orange but also a healthy outdoor life and a tidy profit, all within a landscape of snow-capped mountains and foothills. Often living in elaborate homes set amid the groves, the ranchers were of the gentleman variety, originating from Back East.

At their peak during the first decades of this century, the groves made up what was called the Inland Empire, which carpeted the foothills of the San Gabriel and San Bernardino mountains, from Pasadena to Redlands. Riverside and Redlands were the principal cities in this agricultural area. Since World War II, the acreage occupied by groves has been reduced by a combination of smog, rising production costs, increasing taxes and the sale of land to developers for single-family houses. But there still are hundreds of acres of land devoted to the navel orange, and they form one of the least celebrated, most evocative aspects of Southern California. The areas can be visited on a day trip from Los Angeles.

The great pleasure is to drive through the orange groves, generally in the direction of the hills or mountains. The secret of finding the older places, in Redlands, for example, is to look for windbreaks of eucalyptus or clusters of palms, planted decades ago and now mature. Being out on the road leads the traveler to pockets of old Californian — houses, outbuildings, packing sheds, fruit stands — about which even many native Southern Californians know little.

In Redlands, sites open to the public include the chateau-like Kimberly Crest mansion and the very Victorian Morley Mansion — homes associated with the citrus industry. Some years ago, the threatened Edwards Mansion, built in 1890, was removed to a grove of its own, behind the San Bernardino County Museum, and is now an elaborate nine-room Victorian restaurant that salutes the history of the area with dishes that feature the orange. In Riverside, the Victorian Bettner house of 1892, now the Riverside Heritage House, can be visited; unfortunately, the venerable Mission Inn is closed for a two-year-long conversion into what is described as a world-class hotel. In Corona, two citrus ranches are open to the public.

From Los Angeles, there are three routes into the Inland Empire. The least interesting and quickest is the Foothill Freeway. The second is Foothill Boulevard, also known as Route 66 from its duster, more romantic days. A way of combining some efficiency and some color, to take the Foothill Freeway to an eastern segment of Foothill Boulevard, in the Claremont-Upland end of what remains of the citrus belt.

The most romantic and appropriate way into the orange country, however, is the



A citrus-belt building in native stone.

railroad: Amtrak trains from Los Angeles Union Station leave downtown twice a day for Pomona and San Bernardino, which is about 15 miles from Riverside.

The orange as a symbol of Los Angeles goes back nearly 200 years, to Spanish California. The San Gabriel Mission outside Los Angeles and, later, many Southern California ranches had orange trees long before California became a state, though the orange was never a major crop during the mission and rancho periods.

The navel orange itself — imported by the U. S. Department of Agriculture from Brazil — was introduced in this area only around 1873. It was especially well suited to the drier, hotter foothill areas, from Pasadena through Claremont to Redlands, where there was sufficient water, good loamy or clay soil and little frost. The navel spread quickly from the original parent trees, one of which is alive in Riverside, fenced and commemorated with a plaque at the corner of Magnolia and Arlington Avenues.

The other great Southern California orange, the Valencia, was introduced in 1876, and grew well along the cooler coastal belt through Santa Barbara, Ventura, Orange and San Diego counties.

Especially in Highland and East Highland, Redlands and the Riverside area, there are still spacious homes surrounded by productive groves. Some of the homes are Victorian and Craftsman-style; others, especially toward Claremont, are made of the granite fieldstone "quarried" from fields cleared for planting. While the Victorian houses expressed concerns about propriety and status, the Craftsman and bungalow houses demonstrated a respect for health, hard work and the land.

Near the groves, there are industrial pack-

ing houses that are part of this ecology — voluminous structures covered in corrugated metal sheets that turn incandescent under the high California sun. The packing houses are along the railroad tracks that helped open up the area to development. Some of these packing houses have recently acquired a new lease on life, having been bought by large food conglomerates.

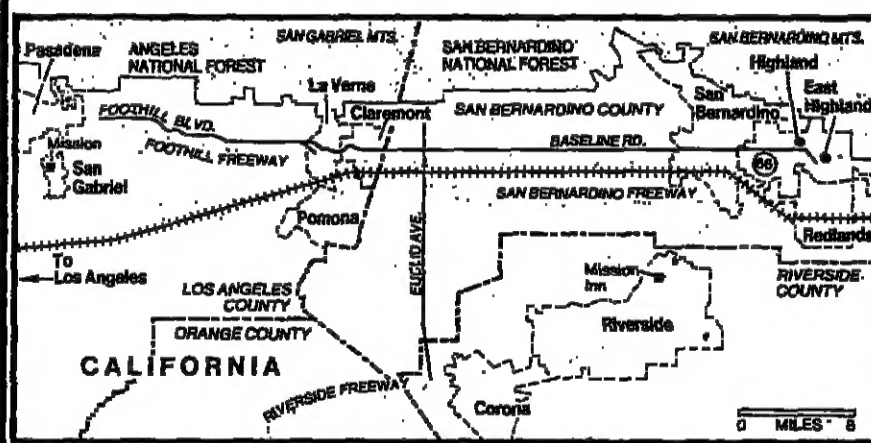
In Redlands, there are many of the large houses of this prosperous grove society. Most have passed into the new era of historic preservation, such as Kimberly Crest and the Morley Mansion, though they are preserved as houses rather than as parts of groves. The groves often have been eroded by subdivision or simple neglect. Unfortunately, there has been little commitment on the part of planning commissions in most of these cities and towns to preserve the groves as a part of the area's heritage and environment. One effort is the Edwards Mansion restaurant in Redlands. Though somewhat self-conscious, it represents a preservation victory that goes beyond the house to suggest the ideal ecology — a substantial house within a substantial grove, the source of the wealth, and the object of the wealth.

WEST of Redlands, near La Verne, is the Upland-Claremont area. Here, besides the groves, which still exist in spots north of Foothill Boulevard, there are the best of the region's stone houses, built during the first two decades of the century primarily by professional masons, in signature stone patterns. At first, some of the houses were corseted into styles derived from the East.

Perhaps the most beautiful of these stone buildings was that done just before World War I for the Pitzer family on North Torrey Avenue at Baseline Road. An expansive hacienda-type bungalow with an arched porch, large boulder pillars supporting a trellis and a Spanish tile roof. The house has a central courtyard. The stones are large, and carefully picked, matched and placed. The apparently rustic nature of the exterior did not stop the architect from including the latest conveniences of the 1910s inside, including a vacuum system built into the walls.

Not far from the Pitzer House are several other stone structures, including the water pumping stations, barns and other ranch out-buildings. In these areas new housing tracts have taken their toll, but there are still many houses left where stone is featured in porches and chimneys. As yet, all are privately owned and cannot be visited inside. They remain, nonetheless, a significant feature of this landscape.

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The New York Times

INTERNATIONAL DATEBOOK

<p>AUSTRIA</p> <p>VIENNA, Archduke's (tel: 1515). CONCERTS — Brünner Philharmonie — July 23: Peter Vronsky conductor, André Navarra cello (Dvorak, Handel). July 25: Claus Peter Flor conductor (Handel, Haydn). International Theater (tel: 31.62.72). THEATER — July 24-25: "Cloud Nine" (Cunzio). July 24-26: "The Matchmaker" (Wilden). Kunsthof (tel: 57.96.63). EXHIBITIONS — July 20-30: "1984 — Looking Ahead to 2000." To Oct. 6: "Vienna 1870-1930 Dream and Reality: The greatest names of the Viennese fin-de-siècle." Schönbrunn Theater (tel: 85.98.93). OPERA — July 20 and 24: "The Barber of Seville" (Paisiello). Theater an der Wien (tel: 57.96.32). THEATER — July 20, 21, 24, 25: "Cats" (Lloyd Webber). Volksoper (tel: 53.240). OPERA — July 24 and 26: "Die Fledermaus" (J. Strauss).</p> <p>ENGLAND</p> <p>CHICHESTER, Theater Festival (tel: 78.13.12).</p>	<p>THEATER — July 20: "Anthony and Cleopatra" (Shakespeare). July 24-27: "The Philanthropist" (Hampton). CLYDEBORNE, Opera Festival (tel: 81.24.11). July 20, 22, 24, 26: "Albert Herring" (Britten). July 21 and 23: "Idomeneo" (Mozart). LONDON, Barbican Centre (tel: 346.41.41). CONCERT — July 21: Royal Philharmonic Orchestra, James Judd conductor, Sir Yehudi Menuhin violin (Beethoven). THEATER — July 20, 24, 25: "Hamlet" (Shakespeare). July 22 and 23: "Henry V" (Shakespeare). July 25: "Red Nose" (Barnes). London Coliseum (tel: 836.31.61). BALLET — London Festival Ballet — July 20: "Don Quixote" (Petipa, Minkus). "Song of a Wayfarer" (Bjart, Mahler). "Endes" (Lander, Rüsgger). July 25-27: "Romeo and Juliet" (Ash-ton, Prokofiev). National Portrait Gallery (tel: 930.15.52). EXHIBITIONS — To Sept. 8: "How and Why" (Shakespeare). To Oct. 13: "Charlie Chaplin 1889-1977." National Theatre (tel: 928.22.52). THEATER — July 20: "The Government Inspector" (Gogol). July 20, 22, 26: "The Duchess of Malin" (Webster).</p>	<p>Regent's Park Open Air Theatre (tel: 486.24.31). THEATER — July 20: "A Midsummer Night's Dream" (Shakespeare). July 22-24: "Twelfth Night" (Shakespeare). Royal Academy of Arts (tel: 734.90.52). EXHIBITION — To Aug. 25: "217th Summer Exhibition." Royal Albert Hall (tel: 589.82.12). CONCERT — July 20: Chamber Orchestra of Europe, Salvatore Accardo conductor (Ravel, Mendelssohn, Beethoven). July 23: Hallé Orchestra, Stanislaw Skrowaczewski conductor, Stephen Hough piano (Stravinsky, Liszt, Tchaikovsky). Royal Opera (tel: 240.10.66). BALLET — July 20-23: "Swan Lake" (Petipa, Tchaikovsky). July 25 and 26: "Birth of a Nation" (Ashton, Glazunov). "La Bayadère" (Petipa, Nureyev, Minkus). Tate Gallery (tel: 821.13.13). EXHIBITION — To August 18: "Paintings by Francis Bacon: 1944 to Present." Victoria and Albert Museum (tel: 589.63.71). EXHIBITIONS — To October 22: "Textiles from the Wellcome Collection: ancient and modern textiles from the Near East and Peru." To September 15: "English Caricature 1600 to the Present." To September 15: "Louis Vuitton: A Journey through Time." Wigmore Hall (tel: 935.21.41). CONCERTS — July 20: Panchos String Quartet of Prague (Dvorak, Mozart). July 21: Nash Ensemble (Brahms, Dvorak). RECEITALS — July 21: Jakob Lindberg lute (Molinaro, Pizzini). July 23: Brigitte Fassbender soprano, Irwin Gage piano (Berg, Schumann). July 24: Roger Woodward piano (Chopin). July 25: Edward Wulfson violin, John Lenehan piano (Brahms, Prokofiev). July 26: Paul Coker piano (Beethoven, Tippett).</p>	<p>OPERA — July 20: "Orfeo" (Monteverdi). July 21: "Le Paradis et la Perle" (Schumann). July 22: "The Marriage of Figaro" (Mozart). CONCERT — July 21: Instrumental Ensemble and Choir of the Royal Chapel, Philippe Herreweghe conductor (Mozart). ARLES, International Photography Festival (tel: 96.76.06). EXHIBITIONS — To July 31: "Power of Photography." To Aug. 30: "David Hockney: retrospective." To Sept. 15: "Disciples of Ansel Adams." To Sept. 30: "F. Fontana, S. Bowman, Herve." AVIGNON, Festival (tel: 86.24.43). DANCE — July 19-22: Cunningham Dance Company, "Les Ballets Armistice" (Armistice). July 23-27: Kameo Saporta Company, "Les Ballets Armistice." July 26: Odile Duboc Company, "Une Heure d'Antenne." COMMINGES, Festival (tel: 88.32.00). RECEITALS — July 20: Gunnar Idén-stein organ (Bach, Lippé, Ravel). July 23: Jean-Pierre Waller violin, Aldo Ciccolini piano (Schubert, Brahms, Franck). July 25: Marie-Claire Alain organ (Bach, Mendelssohn). NICE, Galerie d'Art Contemporain (tel: 92.37.11). EXHIBITION — To Sept. 2: "Tou Ben." Galerie des Ponchettes (tel: 62.31.24). EXHIBITION — To Sept. 29: "Claude and François-Xavier Lalanne." PARIS, Centre Georges Pompidou (tel: 57.12.37). EXHIBITIONS — To Aug. 19: "Jean-François Millet," "Palermo," "David Tremlett." Eglise St-Germain-des-Près (tel: 277.12.69). RECEITAL — July 24: Jean Guillou organ (Bach). Espace Rossard (tel: 264.51.31). DANCE — July 20-24: "Le Théâtre d'Image Francis Guillard." Galerie Rolf Wahl (tel: 633.12.16). EXHIBITION — To July 31: "Amis Erikson." Hôtel de Ville (tel: 276.40.66). EXHIBITION — To Oct. 5: "Victor Hugo and Paris." Hôtel Méridien (tel: 758.12.30). JAZZ — July 20: François Guin Swing Quartet. Le Petit Journal (tel: 326.28.59). JAZZ — July 20: Alain Bouchet Quintet. July 22: Metropolitan Jazz Band.</p>	<p>July 25: Claude Bolling Trio. Musée d'Art Moderne (tel: 723.61.27). EXHIBITION — To Sept. 8: "Robert and Sonia Delaunay." Musée de l'Assistance Publique (tel: 633.01.43). EXHIBITION — To July 31: "Salvador Dali." Musée du Grand Palais (tel: 261.54.10). EXHIBITIONS — To July 28: "Manuscripts of the Dead Sea." To Sept. 2: "Renou." Musée de la Ville de Paris (tel: 265.12.73). EXHIBITION — To Sept. 29: "Gustave Doré." New Morning (tel: 523.51.41). EXHIBITION — To July 21: John Lurie and the Lounge Lizards. July 22 and 23: Art Blakey and the Jazz Messengers. July 24 and 25: Sun Ra Arkestra. EXHIBITION — To Aug. 24: "Les Ballets Armistice" (Armistice). OPERA — July 20: "Robert le Diable" (Meyerbeer). Théâtre du Jardin (tel: 747.77.86). BALLET — To July 26: Eibrey Pagava Ballet. THEOULE, Nuits de l'Estival (tel: 49.38.28). BALLET — July 22: Marseille National Ballet "La Symphonie Fantastique" (Péti, Berlioz). EXHIBITION — To July 28: "Romeo and Juliette" (Verdon, Bertice).</p>	<p>GERMANY</p> <p>BAYREUTH, Wagner Festival (tel: 202.21). OPERA — July 25: "Tannhäuser" (Wagner). July 26: "Parsifal" (Wagner). MÜNICH, National Theater (tel: 21.85.11). OPERA — July 20 and 24: "Arabella" (R. Strauss). July 21: "La Traviata" (Verdi). July 23: "La Nozze di Figaro" (Mozart). July 25: "Macbeth" (Verdi). July 26: "Norma" (Bellini). STUTTGART, National Theater (tel: 21.85.11). Stuttgart Ballet — July 21: "Don Giovanni" (Bjart, Chopin). OPERA — July 20: "Wilhelm Tell" (Schiller).</p>	<p>IRELAND</p> <p>DUBLIN, Abbey Theatre (tel: 74.45.05). THEATER — To Aug. 3: "The Drums of Father Ned" (O'Casey). Civic Museum (tel: 77.16.42). EXHIBITION — Through July: "Jimmy O'Dea." National Gallery (tel: 60.85.33). EXHIBITION — To Aug. 24: "Music in the 19th Century." National Library (tel: 76.55.21). EXHIBITION — Through July: "Irish Heritage." Peacock Theatre (tel: 74.45.05). BALLET — July 20: Dublin City Ballet.</p> <p>ITALY</p> <p>GENOVA, International Ballet Festival (tel: 59.16.97). BALLET — July 20 and 21: Ballet National de Marseille, "A Zizi Con Amore" (Péti). July 25-28: The Dance Theatre of Harlem, "Swan Lake" (Petipa, Tchaikovsky), "Voluntaries" (Téley, Poulenc). VERONESE, Museo Correr (tel: 256.52). EXHIBITION — To July 28: "Le Veneziane Possibili." Palazzo Fortuny (tel: 70.09.95). EXHIBITION — To July 28: "Hors, Photographie, 1931-1984." VERONA, Arena di Verona (tel: 255.20). BALLET — July 20 and 26: "Giulio" (Adam). OPERA — July 21: "Aida" (Verdi).</p>	<p>JAPAN</p> <p>TOKYO, Goto Museum (tel: 703.06.61). EXHIBITION — To July 28: "Chin-nese Pottery from Han to Ming dynasties." Kokuritsu Noh-gakudo (tel: 423.13.11). EXHIBITION — To Aug. 18: "Noh Masks." Nagasaki Museum of Modern Art (tel: 214.25.61). EXHIBITION — To Sept. 29: "Modigliani Exhibition." Okura Shokoku Museum (tel: 583.07.81). EXHIBITION — To Aug. 25: "Indian Ink Paintings and Ceramics." Shinjuku Bunka Center (tel: 350.11.41). CONCERT — July 21: Shimeji Nihon Symphony Orchestra, Kotaro Sato conductor (Rumppelstein, Prokofiev). Saitama Museum of Art (tel: 470.10.75).</p>	<p>NETHERLANDS</p> <p>AMSTERDAM, Amsterdam Museum of History (tel: 25.58.22). EXHIBITION — To Sept. 8: "Imagination Seizes Power: a brief survey of European protest movements in the 60's." Art Theater (tel: 25.94.95). THEATER — To July 28: American Repertory Theater, "Piaf" (Gems). Koninklijk Paleis op de Dam (tel: 24.86.98). EXHIBITION — To Sept. 8: "French Bibliographic History in The Netherlands." Maison Descartes (tel: 22.61.54). EXHIBITION — To Sept. 27: "Descartes and The Netherlands." Nieuwe Kerk (tel: 23.64.32). EXHIBITION — To Aug. 20: "Our and About in Amsterdam: From the Fairgrounds to the Theater, 1780-1815." To Aug. 20: "Anarchism in France and The Netherlands." Rijksmuseum (tel: 73.21.21). EXHIBITION — To Sept. 29: "Rembrandt: drawings." Stedelijk Museum (tel: 24.23.11). THEATER — July 23-28: "The Spanish Brabantier" (Breda), English Speaking Theatre Amsterdam. Van Gogh Museum (tel: 76.48.81). EXHIBITION — To Aug. 11: "Les fleurs du mal" Félien Rops and Charles Beaudaire. Westerkerk (tel: 24.77.66). EXHIBITION — To Sept. 15: "The World of Anne Frank, 1929-1945."</p>	<p>SPAIN</p> <p>MADRID, Museo Español de Arte Contemporáneo (tel: 449.24.33). EXHIBITION — To July 31: "La Tomassello." Palacio de Velázquez y Cristal (tel: 274.77.75). EXHIBITION — To July 22: "Spanish Sculpture 1930-1936." SAN SEBASTIAN, Jazz Festival (tel: 42.31.80). July 20 and 21: Joe Williams and The Count Basie Orchestra. Scott Hamilton, Sam R. Adams, Johnny Winter, Kenny Drew, Wood Shaw, Slide Hampton.</p> <p>SWEDEN</p> <p>STOCKHOLM, Drottningholm Theatre (tel: 60.82.25). OPERA — July 20, 23, 25: "Così fan tutte" (Mozart). July 22, 24, 26: "The Escape from the Seraglio" (Mozart).</p>	<p>SWITZERLAND</p> <p>GENEVA, Musée de l'Athénée (tel: 29.75.66). EXHIBITION — To Sept. 29: "Cagli, Picasso, Ernst, Klein, Léger and Calder: Tapestries and Engravings." (Paris, Lullin (tel: 74.10.16). EXHIBITION — To Sept. 8: "Promenades." Petit Palais (tel: 46.14.33). EXHIBITION — To Sept. 30: "Montparnasse 'Belle Epoque': From Cagalli to Buffet."</p>	<p>UNITED STATES</p> <p>NEW YORK, American Museum of Natural History (tel: 673.13.00). EXHIBITION — To Aug. 31: "Maya Treasures of an Ancient Civilization." Metropolitan Museum of Art (tel: 535.77.10). EXHIBITIONS — To Sept. 1: "Mik and the Horse." To Sept. 5: "Revivals and Explorations in European decorative arts." Museum of Modern Art (tel: 708.94.00). EXHIBITION — To Oct. 1: "Karl Schwitters."</p>
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WEEKEND

SIGHT SEEING BOATS

BATEAUX-MOCHES ALMA 225.96.10
PARIS RIVER BOATS RIGHT BANK 359.30.30

HOTELS

ADMIRAL HOTEL MANILA
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Cable: Admiral Manila
Telephone: 57 20 81 To 94

RESTAURANTS

Goldenberg WAGRAM
RUE PASTRYN ROYAL
FRIEDL
SMOKED SALMON

WEEKEND
appears every Friday

FRANCE

AD-EN-PROVENCE, Festival de l'Art Lyrique et de Musique (tel: 23.37.81).

FRANCE

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FRANCE

AD-EN-PROVENCE, Festival de l'Art Lyrique et de Musique (tel: 23.37.81).

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FOR FUN AND PROFIT

Flying Virgin Atlantic: Quality and Razzmatazz

by Roger Collis

WHAT do cut-price air fares, a luxurious home on a private Caribbean island and an attempt to break the record for the fastest trans-Atlantic sea crossing have in common? They all figure in the business plans of 34-year-old rock music multimillionaire, Richard Branson, founder of the Virgin entertainment group that launched Virgin Atlantic, the maverick airline, a year ago.

Branson is a consummate publicist with an exalted sense of timing. Three weeks ago Virgin Atlantic, which flies its single Boeing 747 between Gatwick and Newark, celebrated its first anniversary with characteristic razzmatazz. At the same time, Branson announced he is throwing open his 74-acre island to showbiz and corporate high fliers as a vacation and conference retreat. And next week, weather permitting, Branson will help to crew the Virgin Atlantic Challenger, a 65-foot, 4,000-horsepower catamaran, which should win back the record for Britain in a high-speed dash from the Ambrose Light Vessel to the Scilly Isles off the southwest tip of England. Target time for the crossing is 66 hours. This would clip nearly 16 hours off the existing record set in 1952 by the liner United States.

According to Branson, sponsorships and TV and video rights have so far covered all but \$150,000 of the \$2 million (about \$2.3 million) needed to finance the project. While major airlines make do with advertising, Virgin Atlantic should get millions of dollars of free publicity from TV coverage during the crossing. That's the "upside," as Branson likes to say. The downside is presumably the danger of hitting an underwater iceberg—a "growler," which can't be detected by radar—at 60 miles an hour.

This is the pioneering spirit that has propelled Virgin Atlantic into a second year of operations. Says Branson: "It's gone very well. Our initial investment was a third of our profits in the first year's trading—half of what British Caledonian made last year."

Virgin has taken a cautious step-by-step approach to the airline business. It had an option to hand the plane back to Boeing at the end of the first, second and third years. ("We can never be sure we won't have the same problems that Laker had. We've made sure that we can bow out gracefully and pay off our ticket holders should that ever happen," Branson says.) But today the airline has residual rights to a 747-200, which has gone up in value by \$13 million, and Branson has ordered a second plane for delivery in June 1986. This will add four more flights a week to New York and open up a new route to Miami. Virgin now flies a feeder service between Gatwick and Maasbracht, the Netherlands, at a round-trip fare of £150, and Branson would like to fly into Amsterdam.

"But we're not going to attempt to become a major international airline unless governments change the monopoly rules," he says. Branson says he won't for a quality rather than a no-frills product because he wanted to appeal to the business as well as the leisure market. "The actual cost of creating a really quality airline is not much more than running a downmarket airline. People's Express makes about \$4 million by charging for food and baggage. But in relation to turnover of 50-60 million a year, it's much better to get another £25 million in load factor."

Branson chose a 747-200 because it can carry a full load of freight as well as 460 passengers. "We put in seats with an extra two inches of room and trained 150 new girls—rather than girls who'd seen it all before—and mixed them with experienced people, so as to have a fresh approach. We put in the best sound and video systems with electronic headphones in both classes. And better food. For example, we serve garlic bread separate-

ly and fresh fruit salad. It doesn't cost much more, but people remember."

One sincere compliment Virgin has had was in a leaked report from British Airways. According to Steve Harvey, managing director of Inflight Radio in London: "A couple of months after they started, BA sent a manager to check out their flight. His report said that in virtually every sense, Virgin Atlantic had more style, more charisma and was a more enjoyable flight than British Airways. Inflight entertainment was part of it. There's style and flair attached to Virgin which must stem from the European image."

Virgin has 14 so-called "upper class" seats in the upstairs cabin along with a lounge and stand-up bar. There's live entertainment throughout the plane. The fare is less than half that of first class and slightly less than

Business style is one of cautious pioneering

business class on other airlines. Right now, for example, the "upper class" round-trip fare from London to New York is £398, compared with £2,058 in first class and £1,024 in business class on British Airways. Passengers in "upper class" get free helicopter service at Newark and a free economy ticket (which they can use any time) handed to them on boarding the plane. "It's a direct bribe," Branson says.

Virgin's economy class is one of the cheapest to fly the Atlantic. It is an unrestricted ticket. Round-trip is £378 on weekdays and £358 on weekends, compared with £758 on BA. This is even cheaper than BA's midweek APEX fare of £384, which is hedged with restrictions. In winter, Virgin has what it calls a "space class" fare, up front of the main cabin. This is slightly more expensive than economy, but guarantees an empty seat next to you.

Many of the major airlines have gone into the hotel business. Virgin has The Island, a groovy alternative to the "total travel packages" offered by its competitors.

The Island (Necker is its proper name on the map) is the most northerly and remote of the 50 or so British Virgin Islands. It is 35 minutes by speedboat from the airport on Beef Island, which is connected to the main island and capital, Tortola, by a causeway. The nearest international gateway is San Juan, Puerto Rico (35 minutes by island airlines) to which there are direct flights by Lufthansa (Frankfurt), Iberia (Madrid) and Eastern (New York and Miami).

Branson bought The Island (uninhabited except for goats, the odd rock musician and his staff) for \$300,000 seven years ago, he has since built a luxurious hilltop house in Balise style with accommodation for up to 20 people. There are superb views of the four beaches and eight other islands. Branson originally intended it as a vacation home, but as he has only spent a total of two weeks there, he decided to throw it open for others—at a price. You can rent the house and island for \$5,500 a day, all in, including food, drink and recreation.

If you need any more persuasion, Branson offers you a free round-trip in the upper cabin of Virgin Atlantic. Unfortunately, he doesn't yet fly quite all the way. Although he admits, "The only reason we're doing Miami is because of The Island."

Branson affects mild annoyance that he can't take his family to The Island this Christmas because Robert de Niro has booked it. But he might just be kidding.

Dance in France *Continued from page 5*

praise the composer's "Holidays" Symphony, the separate movements of which refer to holidays, including Independence Day. Yet Ives was not James's contemporary. Moreover, James exiled himself in London and his view of American innocence does not square with Ives's sophisticated populism—the view of a man very much at home in America.

James's sense of place in "Washington Square" is not that of Ives's ironic picnic grounds. True, James's New York society, with pretensions to gentility, may have been rooted in a crude money-making culture. Morris Townsend, Catherine Sloper's suitor, is interested only in money. But the story is an intimate one and it could have made a perfect ballet for Antony Tudor, as Nureyev has sensed in the interior scenes. In fact, the four characters' conflicting feelings are best rendered in a Tudor-like passage, set to Ives's "Unanswered Question."

Nevertheless, the overall effect is of heavy static theater. Nureyev had a literary collaborator for the scenario, Jean-Claude Carrière, and Antoni Tàpies, a Spanish painter, is responsible for the overly grandiose facades—one of which opens up to show the townhouse interior. Nicholas Georgiadis's septa costumes for the social-comment scenes successfully move away from realism although the grotesque masks for the black characters are indefensible. There are good touches. When the marching band bursts onstage, Nureyev's choreography is vividly alive. A word also for Monique Loudières as the heroine and Ghislaine Thesmar as her aunt.

The same program featured the 20-year-old Sylvie Guillem, recently promoted to the rank of étoile, displaying her hyper-extended, extreme développés in Kenneth MacMillan's "Song of the Earth" and in Maurice Béjart's new duet, "Movement-Rythme-Etude." Eric Yu-An, an intense and polished dancer, partnered her in this post-Robbins encounter between two dancers who meet and part. A sensation since she won the top prize in the 1983 Varna competition, Guillem has only to step on a stage to take it over. Loose-lipped within a natural flow, her dancing has a cool presence, mysterious in the way Allegre Kent's was.

MEANWHILE, two Lifar revivals proved more than curious. The Ballet Théâtre Français de Nancy presented Sylviane Bayard (a guest) and Patrick Armand in "Aubade," the 1946 ballet to Poulenc's score, in which Diana very visibly turns Acton into a deer. If most of the choreography seemed conventional, there were twists and archaic images that were not.

How much of Lifar's choreography was actually performed by Plietskaya (now also director of the Rome Opera Ballet) in "Phédre," to Georges Auric's music, is debatable. Nearing 60, she still stands firmly on toes and retains her grandiloquent presence. The ballet is worth seeing for Cocteau's concept. Each dramatic episode is introduced by a *tableau vivant* within a small theater onstage. The curtains are drawn, for instance, to reveal Hippolytus against Brassy. Hippolytus, by the way, wears a chariot costume to match his leotard, just as the character, Oenone, is topped in lavender to match her costume. The male ensemble, in apocryphal, jeans around with flexed biceps. Like all Cocteau ballets, this one is fascinating.

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DOONESBURY



TRAVEL

Edinburgh: Relics of Independence

by Vivian Lewis

EDINBURGH—Anywhere in Edinburgh, the castle looks down on you. With its Old Town, it is a brooding relic of the independent kingdom of Scotland, with princes and court, presbyters and populace, all huddled together on the spiny, impregnable hilltop running from Edinburgh Castle to Holyrood Palace, the Royal Mile. The castle ceased to be a seat of power after the defeat of Bonnie Prince Charlie, its defenses shattered when the Nor Loch was drained in 1766.

With the loch filled, Edinburgh could expand beyond the Auld Reekie, the original hilltop. A square mile of reclaimed land was developed by purist Georgian enlightened city planning, at the price of political power. The shopping area of Princes Street, the Mound on which the Royal Gallery stands (made of dredged earth), the stately squares and elegant crescents, the open vistas and lovely gardens of the 18th-century New Town, could only be built because Scotland was no longer an independent country, nor Edinburgh its capital. Even the names of streets show the Hanoverian hold: George, Frederick and Hanover streets, Charlotte Square, York Place.

A modern visitor to Edinburgh should walk from the Scott Memorial on Princes Street, part of the 19th-century process by which Scotland became the land of home-grown folklore, bagpipes and kilts. Veneration of the country's first major novelist marks the transition from Scotland the Brave to Scotland the Cote. Sir Walter Scott is commemorated by the largest monument on Princes Street—a sort of Victorian, Gothic-revival spaceship in which he is depicted sitting with a dog preparing for life-off.

To reach the earliest building in the city takes a strong-legged climb to the castle from the New Town. It is a tiny white chapel in the middle of a courtyard among the crumbled buildings and walls that owe more to Victorian imagination than medieval defense. The minuscule oratory of St. Margaret, a Scottish queen so unlike the others that she was canonized (her predecessor was Lady Macbeth) is a serene 12th-century relic of the first queen to wear plaid and the first Scot to become exercised about the strict observance of the Sabbath.

In the Royal Chambers of the castle, the room where James VI (later James I of England) was born by Mary Stuart, is one of the interesting sights. The bulk of the castle was so substantially restored a century ago that now some of it is considered to be of architectural merit as Victorian. It houses a ceremonial badge of Scottish regional history. As at Carnarvon in Wales, costume regimens have become a proxy for outlawed nationalism. There is another dog memorial, to a regimental mutt who survived the Charge of the Light Brigade but not London traffic.

EVERYTHING is downhill from here, so a good look over the neat squares of the New Town to the Fifth of Forth should precede it. A first-sight walk down the Royal Mile is the stair-filled house of Lady Stair, now a museum to Scottish writers like Robert Burns, Robert Louis Stevenson and the ubiquitous Sir Walter, commemorated by many walking sticks. The 11th stair between the Robb's Burns floor and the Scott floor is higher than the others—so a housebreaker will stumble and be known.

Lady Stair's House is in a close, a typical Edinburgh alley perpendicular to the Royal Mile. (A wind in an alley open at the end.) In Edinburgh, the word "tenement" went from describing a form of property tenure to being a description of a crowded slum apartment building. A typical six-story walk-up, another Edinburgh invention, is Gladstone's Land, a series of six four-story apartments over an arcade and a shop on the ground floor, each inhabited by a whole family plus servant (who slept in a sort of Murphy bed in the kitchen). Gladstone himself lived up two corkscrew flights of stairs so he could rent out the more desirable floor.

The surprises of 17th-century lifestyle is that it wasn't all that dour and dreary. The large front room (bedroom for the parents plus sitting room) is decorated with magnificent, original 17th-century painted beams, showing bright-colored flowers and fruit, more Scandinavian than Scottish in feeling. Life may have been dirty (there's a privy in the kitchen along with the tiny servant's bed) but it was pretty and colorful too.

Even John Knox's Presbyterian interior was brightly decorated, again with a painted ceiling, showing the devil. There's also a wall painting of what is said to be Adam and Eve—complete with a mystery third party.

Knox's 15th-century house is further down the Royal Mile, close to the Methergate Port (now an arts center) through which the Jacobites entered the city in 1745.

The preacher's greatest target lived right on the bottom of the street, in Holyrood Palace, Mary Queen of Scots, who was about as unlike Queen Margaret as can be, lived in the older wing which, at least as restored by her great-grandson, Charles II, has a surprising similarity to a Loire chateau. Charles also installed the picture gallery of Scottish monarchs, 111 kings, all of whom have the pendulous nose and rosy mouth of Charles II himself.

Here in Holyrood there took place the conspiracy led by Mary's second husband to have her secretary dragged from her presence and murdered. You can visit both the room where the queen and Riccio were found, and the room below, with Lord Darnley's great bed, through which the murderers had come, and you can speculate on the motives for the murder which led to such a long train of murders.

Mary Stuart memorabilia in the palace includes two needlework plaques she em-



Edinburgh, with Princes Street at the right.

broidered. One shows a red-haired cat toying with a little gray mouse, teasing it but not putting it out of its terror. Done during Mary's captivity in England, it may be an allegory of her own treatment at the hands of red-headed Elizabeth I. There is also a spectacular, ruined 11th-12th century abbey church.

Before leaving the palace precincts, you might look in at the oldest continuously operated pub in the city, Jenny Ha, at Golfers' Land. The building is new but the business is an old one. The original landlord of the site was a shoemaker named John Peterson who built the close with money he won as partner of the Duke of York (later James VII and II) at golf. Calton Road (where the weaver met Nancy Whiskey in the song) and Fish Street will take you to the New Town without climbing the hill.

PRINCES PARK is full of benches donated by Scots abroad, among them one from an American colonel, who set them up in honor of all his wives. Charlotte Square, the heart of Georgian Edinburgh, is now the financial district. At No. 7 on the north side of the traffic-filled square, the Scottish National Trust's Georgian house is the perfect counterpart for the 17th-century residences of the Mile. With two spacious floors on view, its gracious living contrasts with Gladstone's Land. But

even here there is still a touch of Scottish economy: The exterior stone is unpainted and gray, the stair uncarpeted, the silver in fact Sheffield plate.

Except during the festival, when they open Sunday afternoons, Edinburgh museums still observe St. Margaret's sabbatarianism. All are open weekdays from 10 A.M. to 5 P.M. Admission to the castle is the most expensive, at £2 (about \$2.80); at all the other sites you will get change from a pound note.

Edinburgh is a walker's town but if you cannot manage the hill, a taxi from Scott to the top will cost £1.

Edinburgh food is simple and reliable, but rarely memorable. At the castle end of the Mile, Cing (in a wynd off Bowtell's Court) has both pub food and an upstairs restaurant. Salad and sandwich bars on the Mile have a health-food slant and a hippy air. In the New Town, Terrace Restaurant on Rose Street has a help-yourself salad bar and offers a choice of three roasts in the Carvery (about £10). If you must have a haggis, a traditional Scottish kitchen is The Laird's Corner, 26 Victoria Street; it also offers carry-out haggis (not tested by the writer).

Along the Royal Mile are several shops selling Shetland-type knits in unconventional styles, like 158 and 166 Canongate; prices are very reasonable for the flair and hand-labor involved.

Plaids and tweeds are sold throughout the city, and prices vary enormously. A woman's Harris tweed suit can cost from £95 up, a jacket from £45. It is worth comparison shopping, just as the Scots do themselves. Most shops will promise to reimburse the British value-added tax on exports.

For men, there is an alternative to the unwearable plaid tie: a decorated tie in more discreet pattern of the clan's crest pin. At Celtic Craft Center, Paisley Close (95-101 High Street), they will help you find your crest, and charge £5.50 (in polyester).

The Aberdeen whisky merchants William Catenhead have opened a branch at 172 Canongate (Royal Mile) selling 100 different single-malt unblended whiskies from 12 years old to older. Speyside doesn't taste like Campbeltown, and the experts can distinguish Islay from Highland malts. Also, the shop is not allowed to offer you tastes. Whiskies cost about £10 and up, and you can ship a case of 18 bottles out excise-free (although you will have to pay duty on arrival in most countries).

The Mile boasts antique shops specializing in maps, playing cards and Scottish kiltie, half a dozen art galleries and the purveyor of fudge to Princess Anne (too sweet even for the Fanny Farmer taste of our family princess).

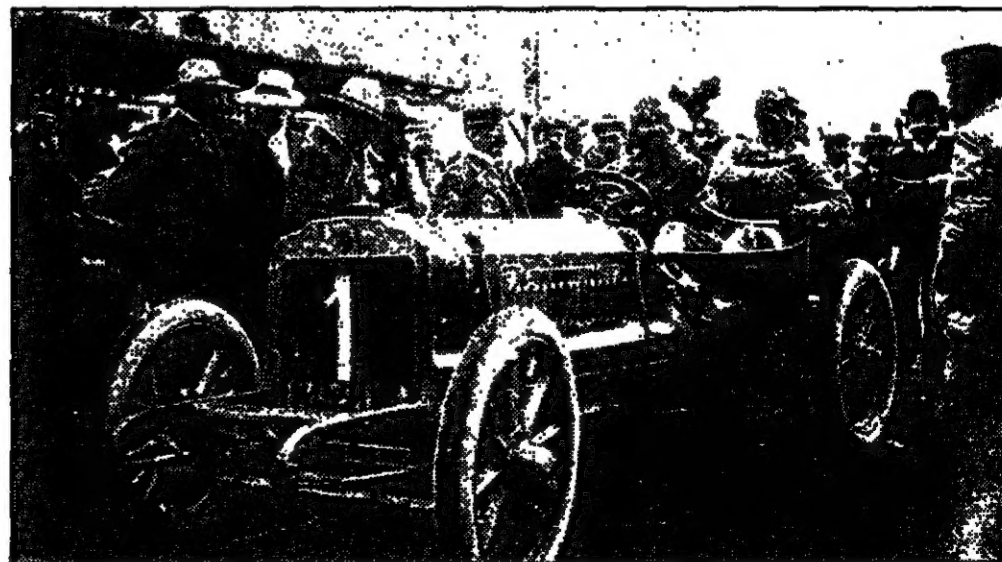
Vivian Lewis is a Paris-based journalist.

Herald Tribune

The International Herald Tribune invites you to attend the 80th Anniversary of the

GORDON BENNETT AUTOMOBILE CUP

Sunday, July 21, in the Auvergne countryside near Clermont-Ferrand, France.



In 1900, James Gordon Bennett, Jr., founder of the International Herald Tribune, created the first International Automobile Cup. The winner averaged 38.4 mph (61.9 kph)—despite a collision with a large Saint Bernard.

On Sunday, July 21, 1985, sixty cars built between 1903 and 1945 will participate in a Gordon Bennett Memorial Rally commemorating the 80th anniversary of the last Gordon Bennett Automobile Cup, held in 1905 in the Auvergne countryside near Clermont-Ferrand, France.

Participating cars from seven countries will drive the same 137 km route designated by the Michelin brothers for the 1905 race. Departure will be at 8 a.m.

from the Plaine de Laschamp, 14 km west of Clermont-Ferrand, on route 941A.

Regularity trials will start at 3 p.m. at the Circuit de Charade, a 4 km mountain racecourse just west of Clermont-Ferrand where several French Grand Prix have been held.

An exhibition on the 1905 Gordon Bennett Race will be open from July 15 to 25 at the Maison des Congrès in Clermont-Ferrand.

All events are organized by the Automobile Club d'Auvergne and will be free to the public. For additional information contact the International Herald Tribune in Paris, tel. 747 12 65, ext. 4566.

Noteworthy Participants in the 1985 Gordon Bennett Memorial Rally

- 1903 de Dion-Bouton — Participant in the 1903 Paris-Madrid race.
- 1907 Fiat Mephistopheles — Set a world speed record in 1924: 146 mph (234.9 kph).
- 1908 Hutton — Winner of the Tourist Trophy in England in 1908.
- 1932 Peugeot 301 — Set a 24-hour speed record in 1932.
- 1932 Alfa Romeo 11.33 — Winner at Le Mans in 1932.

INTERNATIONAL Tribune

Published With The New York Times and The Washington Post

Volcker Weighs the Risks

The Federal Reserve Board is now following a course that carries substantial risks. At a time when a gigantic borrowing boom is under way in America, the Fed has decided to tolerate the recent rapid expansion of the money supply. As it argues in its midyear review this week, any other decision would be far riskier.

The Federal Reserve's intentions carry extraordinary weight currently, for it is the only moving part in the machinery that steers national economic policy. The Reagan administration, having created a gigantic budget deficit, is showing no great inclination to do much about it. Congress is struggling to bring the deficit under control, but the prospects for progress are not dramatic. Only the Fed continues to exert direct influence on the economy from week to week, as it pushes money into the banking system or pulls it out — with interest rates falling or rising in response.

Normally, when a borrowing boom gets under way, the Federal Reserve has a clear duty to restrain the money supply. A surge in borrowing generally comes late in the business cycle after a period of strong growth, when the economy is starting to overheat and signs of rising inflation appear. But that is not happening this year. One of the peculiarities of the Reagan administration's economic strategy is that it has inadvertently unlinked supply from demand in America. Previously, when demand rose rapidly, industrial production kept pace,

and that is where the inflationary dangers became visible. But now, when demand rises, an increasing share of it is met by production in other countries. Inflation stays relatively low — and unemployment stays high.

Paul Volcker, the chairman of the Federal Reserve Board, made that point to a congressional committee this week. Demand has been rising at the brisk annual rate of more than 4 percent so far this year, but the output of goods and services has been rising at only 1.5 percent or less. The difference between the two figures lies in the rising American trade deficit. It is being financed by borrowed money.

While some parts of the economy are prospering mightily, others — those that must compete with the imports — are under great pressure, with low profits and low production. In these circumstances the Fed fears, with reason, that any sudden tightening of the money supply would produce a sharp recession.

The Fed would clearly like to see Congress reduce the budget deficit. It would like to see the dollar's exchange rate continue to come down and the trade deficit narrow. But as long as the dollar stays high, industrial production stays sluggish and inflation stays low, Mr. Volcker says that the Fed is not inclined to restrain money severely despite the borrowing boom. It is taking chances but, as Mr. Volcker argues, it has no acceptable alternative.

— THE WASHINGTON POST.

After a Brush With Cancer

So dread is the very thought of cancer that many people were no doubt stunned and saddened at the first word that cancer had been found in the intestinal tumor removed from President Reagan on Saturday. Yet his doctors immediately went on to report that all of the malignancy had been removed and that Mr. Reagan has an excellent chance to recover quickly and completely, to return to his former level of activity and to live a good and long life. All of us surely wish that that be so.

In speaking of Mr. Reagan's medical prospects, the doctors referred to percentages. They said, for instance, that there is "greater than a 50-percent chance" of a complete cure. On the calculator that each of us carries in his head, that can produce the doleful conclusion that the president has as much as a 50-percent chance of more sickness. But that sort of calculation leaves out the consideration that Mr. Reagan is already at an age where he is, at least theoretically, vulnerable to assorted illnesses. Perhaps the correct conclusion is that he is in his 70s but is also basically healthy. Those are the two things that the American people knew about his physical condition

when they re-elected him less than a year ago. In this respect, not much has changed.

What we know about Mr. Reagan's cancer comes chiefly from the accounts given by his doctors in the last few days. They are medical men, but the implications of their analyses are profoundly political in the way they affect public confidence. Once again, it appears, the president has been well served in his choice of doctors. We speak not so much of their medical skills, which it is for others to judge, as of the evident clarity and candor they have displayed in their appearances before journalists. At a time when a 74-year-old president has had a brush with cancer, nothing is more useful and necessary than the public's conviction that the doctors are competent and intend to practice a vigilant watch on their patient, and also that they are telling the public everything that is on the public's mind to ask.

Ronald Reagan has been beating the odds and prevailing over 50-percent chances for as long as we can remember. It is a distinguishing mark of the man, and we are confident that this case will be no different.

— THE WASHINGTON POST.

First the assassin's bullets, then the shadow of cancer. President Reagan has defied both grim threats with good fortune and remarkable serenity. No major operation on an elderly patient can be assumed free of risk, but Mr. Reagan seems to be recovering rapidly. There seems every reasonable likelihood that he has stepped clear of his brush with cancer and will continue his term in full health. That is excellent news for him and for the nation.

The Reagan White House this time avoided the confusion of authority in the hours after the 1981 assassination attempt. No secretary of state misleadingly proclaimed himself in charge, and there was no doubt about who held authority while Mr. Reagan lay helpless in surgery. The president transferred his powers to Vice President George Bush from the moment he underwent anesthesia, and he reclaimed them on recovery later on Saturday.

Despite the orderliness of the process under the 25th Amendment, the White House invoked it with curious reluctance. It delayed informing Mr. Bush that he was acting president until after the fact, and the president's strangely worded letter stressed that he was "not intending to set a precedent." Precedent

or not, the transfer procedure should become routine on similar occasions.

Mr. Reagan's doctors at the Bethesda Naval Medical Center merit praise for a successful operation and public accounting. But there are questions about the prior treatment. Why was the large polyp not discovered sooner? Why was the large polyp not examined after detection of the first small polyp, removed in May last year, or the second, removed last March? Some reassurance is needed that presidents are getting the best medical care, however pressing their duties or political agendas.

No illness is timely, but Mr. Reagan's could have come at much worse moments. His recovery will no doubt interfere with his plans to lead Congress toward a major deficit reduction and tax reform. But he had already scheduled a three-week vacation in August at his ranch. He should be well recovered to keep his date with Mikhail Gorbachev, in November. Just a few hours after coming round from his colon operation, Mr. Reagan seized back with alacrity the powers he had transferred to Mr. Bush. His zest for life and office is the best possible sign that he will successfully fulfill both.

— THE NEW YORK TIMES.

Other Opinion

Reagan Has Work Yet to Do

The presidency of the United States is not like the leadership of the Soviet Union. There is no changing bureaucracy which can render a sickly chief-in-mind and void for months on end. There is a constant need not only to keep abreast of events but to be endlessly seen on television as commanding those events. Mr. Reagan, moreover, has a diary chock full of challenges. He hasn't got a budget yet. His tax reform crusade has barely begun and will get nowhere without his personal commitment. Mr. Gorbachev awaits him in November. Beyond that the midterm elections move ever closer. He cannot afford to be out of the firing line for more than a few weeks. If he doesn't seem to be fully in charge and fully active by the middle of September, we may begin to witness a rapid draining away of authority.

Ronald Reagan, with more than three years left as leader of the Western world, could then become a neglected ceremonial figure, while beneath him the challenges for power next time, and those who serve them on the White House staff, will begin to scramble for the authority that has left the Oval Office.

— THE GUARDIAN (London).

FROM OUR JULY 19 PAGES, 75 AND 50 YEARS AGO

1910: Aeroplanes to Replace Autos?
PARIS — Comte Jacques de Lesseps, the French aviator, is convinced that the aeroplane has commercial value. "On the big farms of the West," he said to a Herald correspondent, "a man with a Bleriot, rising and descending anywhere, would be able to cover all his property in a short time." The remark reminds one of the practical results achieved by the aeroplane, and calls up a vision of a time when farmers may make the daily round of great farms in aeroplanes. It also makes one wonder whether another period of abandonment may not be awaiting the highways which fell asleep when the train vanquished the stage coach, and were recalled to life by the automobile. Comte de Lesseps believes aeroplanes will soon be as common as automobiles.

1935: Selassie Calls Abyssinia to War
ADDIS ABABA — Haile Selassie, Emperor of Abyssinia, made a stirring address to his people [on July 18], calling upon young and old to unite and if necessary to die "in a common resistance to the invader." Speaking before an assembly of the chiefs and notables of the land, he denounced Italy's ambitions. "For 40 years Italy has been nourishing a desire to conquer Ethiopia. After attacking the Ethiopians an escort of the Anglo-Ethiopian boundary commission at Wal-Wal, on our territory, last December, she is now asking for reparation. If no peaceful solution is found, Ethiopia will place her destinies in the hands of God. It is far better to die free than to live as slaves. We are poor, but we shall show the world how a people can die in defense of its sovereignty."

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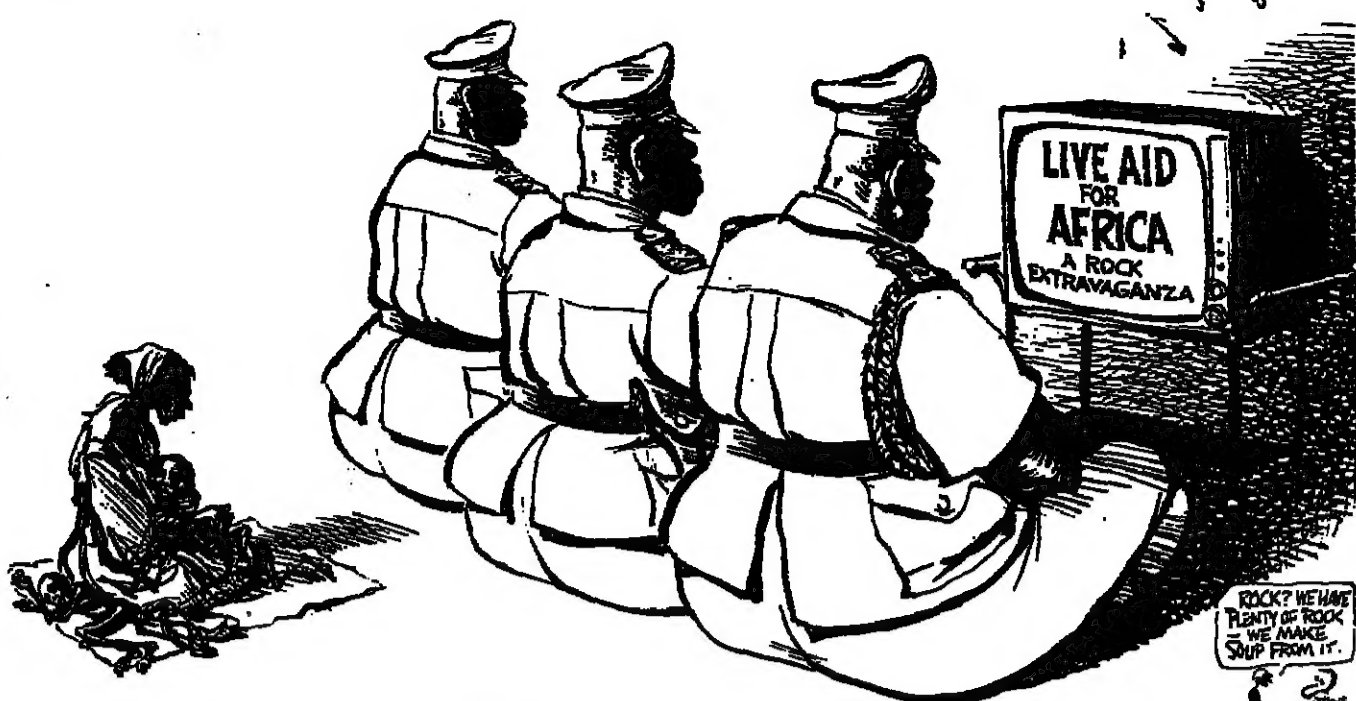
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Sweeping Away a Few More Myths About Africa

By Jonathan Power

LONDON — "If the hungry could eat words," a BBC commentator earlier this year. For all the words spoken, written and sung, what have we learned? Quite a bit, as a matter of fact. Not least, some myths have been shattered:

• The myth that famine stalks the continent because of climatic changes. The truth is that we do not know if the climate in Africa is becoming drier. The majority of meteorologists would subscribe to the view of the Canadian climatologist Kenneth Hare, who wrote last year that the recent droughts are part of "a natural fluctuation." He added, however, that "it is not inconceivable — though still unlikely — that human interference may be prolonging and intensifying the dry spells natural to the climate." One thing we can be sure of: Bad agricultural practices do not make good use of the rain that falls.

• The myth that Africa cannot feed itself. As recently as 1970, Africa was self-sufficient in food. Other continents, not least Asia, have gone through crises of food production and are now well out of them. While it is true that Africa as a whole has poorer soils than Asia and a water table that is much lower, which makes irrigation more difficult, there is still great room for improvement. The rich soils of Chad alone, with the right techniques, could feed the entire Sahel.

More Harm Than Good

THE Live Aid rock concert was an orgy of pointless and misdirected emotionalism which is likely to have a harmful effect on the starving people of the African famine belt. It was dominated by the all too familiar posing and publicity seeking of the pop music industry, with ignorant and self-seeking figures posturing on the stage in a frenzy of childish demands upon government to do what sane and competent governments know is not possible.

All of this was very little to do with the problem. If anything, it will do harm by encouraging the governments whose mistaken policies are largely responsible for the severity of the situation to do nothing to reform those policies. The concert will encourage people in the developed countries to believe that the problem is somehow the fault of their own governments and people, rather than the Africans. This is not true.

The harsh truth is that the disaster in the African famine belt is almost entirely the fault of the various governments concerned. Drought in Africa is not unprecedented, and it is not impossible to prepare for it by storing food and seed.

— This has been adapted from an editorial in the Australian Financial Review (Sydney).

What has been done has rarely been field tested in the local ecological and economic conditions. These observations are partly prompted by Lloyd Timberlake's new book "Africa in Crisis," published by Earthscan. It is by far the best of the near flood of volumes that have appeared on the subject in the last few months.

Where do we all go next? The temptation is for well-meaning advisers and helpers to rush in, but that is not the answer. According to a World Food Council report, Burkina Faso, for one, had visits from 340 aid missions in 1981. Harassed officials spent a great deal of their time meeting and seeing off the visitors.

Some 80,000 expatriates work for public agencies in Africa and more than half the \$7 billion spent each year by donors goes on salaries. Djibril Diallo, a Senegalese UN official, has complained: "Africa's biggest problem is too many people going around the continent with solutions to problems they don't understand."

Before anyone else calls for some great Marshall Plan to save Africa, there should be a big pause for a big think and only then some steady and careful steps forward.

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The Poor Feed the Rich

BECAUSE the poor are feeding the rich, famine in many parts of the world will increase. Ironically, the conventional strategy of development agencies and many Third World governments — to encourage self-sufficiency — only makes matters worse. In the three of its current miseries, Africa offers a striking illustration. Media accounts portray the continent's food problem as a blend of drought, disease, overpopulation, political instability and inefficient peasant farming. The prevailing belief is that Africa is a basket case which will survive only through massive, open-ended aid. In fact it is a rich and steady source of crops consumed daily in the advanced nations — meat, vegetables, tea, coffee, cocoa, sugar — and even of fresh flowers for the dinner table.

Increased exports will benefit international agribusiness, which dominates Third World agricultural production, and will maintain the large landholders there, but it will not feed hungry Africans. The question "What can poor countries do to become self-sufficient?" requires a small but critical change to "What can rich countries do to become self-sufficient?"

— Albert L. Huebner, an expert on hunger who teaches at California State University, writing in The Nation (New York).

A Survivor of the Long March Reaches Washington

By Harrison E. Salisbury

SALISBURY, Connecticut — A year or so ago, the 76-year-old president of China, Li Xianmin, was down to his last 1,000 men. He had lost almost all his officers. His troops captured one of Mr. Li's commanders, bound him to the muzzle of a cannon and blew him to bits.

Mr. Li, who arrives in Washington on Monday for a state visit, has postponed his meeting with Lord Yangwang with extraordinary success in a

the ferocious Moslem horsemen of the Ma family clan. They cut the plodding infantrymen of Li Xianmin's army to bits. On their fleet horses, the Ma troops could cover in one hour the distance it took Mr. Li's weary men a whole day to cover.

Under orders from the Red Army command, Mr. Li tried to lead his troops westward, hoping to escape to remote Xinjiang province, then under

Thirty-eight years ago this month, Li was down to his last 1,000 men.

career filled with peril. No one looking at his full, dignified figure would imagine that the silver-haired gentleman was once a hard-muscled survivor of 100 desperate battles. This has been a stubborn frankness to his diplomacy in the era of that other tough survivor, Deng Xiaoping.

Stubbornness, frankness and toughness are traits not uncommon among those who, some 50 years ago, made the Long March that ultimately established Mao Zedong as leader of the Chinese Communist revolution in 1949. To survive that march required muscle, iron will and determination.

Of those on the march, only 5,000 to 6,000 made it to the finish line — no one more improbably than Li Xianmin. Every actuarial table, every law of averages, every common sense judgment would have predicted that he would have met the Lord Yangwang by 1936 or 1937. Nor were these the only odds that he would face in half a century of participation in Chinese politics.

Li Xianmin, born into a poor family in central Hubei province, joined the Red Army as a recruit and rose through the ranks to command the 30th Army of the Communist Fourth Front Army by 1936. In 1937 he was 29, an "elderly man" to the teen-agers who made up his command. He had already been fighting for a decade.

Mao and the remnants of the First Front Army, under his direct command, had by now reached the relative sanctuary of northern Shaanxi. In 1936 the Fourth Army was on its way to join Mao when Mr. Li's 30th Army was diverted onto what was euphemistically called "the western expedition."

It proved the most disastrous in the history of the Red Army. Worn out by years of hard fighting, Li Xianmin's forces were sent north across the Yellow River and encountered the deadly Nationalist cavalry.

The Soviet Union's friendly influence. But the attacks went on. Thirty-eight years ago this month, Li Xianmin was down to his last 1,000 men. He had lost almost all his officers. His troops captured one of Mr. Li's commanders, bound him to the muzzle of a cannon and blew him to bits.

Mr. Li was twice wounded in the Long March. He still carries a bullet in his leg. It used to bother him when the weather was damp. Now that he is advanced in years, it does not.

Fighting was not the only peril in his career. The Fourth Front Army was subject to a violent purge under the command of Zhang Guotao, one

of Mao's great rivals. Many officers lost their lives. Mr. Li escaped.

Mao did not hold Mr. Li's service under his rival, Zhang Guotao, against him. Mr. Li rose steadily in the Communist regime after 1949, concentrating on economic affairs.

The Cultural Revolution brought death and imprisonment to many Long March heroes, but Mr. Li escaped the worst. He was protected by Zhou Enlai and sometimes by Mao himself. He was "set aside," and he thus escaped some turbulent outbreaks. He did not have to join the vilification of Deng Xiaoping that erupted before Mao's death because he was himself sitting at home under what amounted to house arrest.

Looking back on his career, Mr. Li said to me, "I consider myself very lucky." He had escaped purges, bullets and political dangers. He lived to ascend under Deng Xiaoping to the presidency. In his mid-70s, he is being sent by Mr. Deng to represent China around the world, a mission that makes him the first Chinese president ever to touch American soil.

The writer is author of the forthcoming book "The Long March: The Untold Story." He contributed this comment to The New York Times.

LETTERS TO THE EDITOR

The Odds Have Changed

Regarding President Reagan's illness, I suggest that he give serious thought to resigning. Presumably he would not have run if it had been known that he had only around a 50-percent chance of completing his term; and if he had run, fewer would have voted for him. Now, five months into his term, he faces the incalculable stress that anyone must feel when confronted with such odds for survival. Perhaps in the days of Wilson, Franklin Roosevelt or even Eisenhower Americans could live with a president in problematic health, but today's world of instant communication makes huge demands on the leader of the free world.

STEPHEN V. GALLUP, Paris.

Fears About 'Star Wars'

The aborted launch of the space shuttle Challenger on July 12 because of the mechanical failure of a small actuator should serve to bring the altruistic nuclear and "star wars" dreamers down to Earth. As wonder-

ful as technological developments may be, somewhere at some time a part fails — and so will the world.

H. RICHARD SONIS, Brookline, Massachusetts.

U.S. Secretary of Defense Caspar Weinberger writes in "Why SDI Will Help to Create a Safer World" (July 11) that the Strategic Defense Initiative "is aimed at exploring innovative ideas for effective, nonnuclear defenses against ballistic missiles." Professor Edward Teller, another SDI hawk, has told the West German daily Die Welt (July 1) that the SDI could involve nuclear explosions in space. Talk about looney tunes!

HELENA VOSS, Nuremberg, West Germany.

One Lesson of a Tragedy

Your story on the Perry brothers' rise and fall ("A Tragic, Puzzling End to Harlem Success Story," July 8) was especially poignant in its sense of loss for the various parties involved. As one whose immediate family has experienced a brutal American ghetto slaying, I could identify with the sad-

ly familiar motives of all concerned. In recent years I have often swallowed hard over my Japanese co-workers' incredulity at the sight of U.S. urban decay and crime.

The Perry's transplant to affluence, although well-meaning, was too much too late against a curtain of too little for too long. Urban tension and increasing anger and fear are fostered by an outrageously impotent punitive system. Action for the reform of trial and sentencing systems would do far more than the best of isolated social programs. To mean well isn't enough.

Everyone in the Perry case worked for justice, each in his own way, and therein lies the tragedy.

RONA ABBOTT, Tokyo.

Letters intended for publication

should be addressed "Letters to the Editor" and must contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

That Bang Resounds To This Day

By Tom Wicker

WASHINGTON — Forty years ago, "in the New Mexico desert, early on a Monday morning, 16 July 1945, the sun could be judged to rise twice." The "false dawn" was Trinity, the first nuclear explosion, as recalled by Philip Morrison, a physicist who witnessed it.

Less than a month later, on Aug. 6 and 9, apparently with little insight into the terrible era of destructive possibility and international insecurity being opened, America exploded the first two atomic bombs over Hiroshima and Nagasaki. But by Aug. 17, 1945, four physicists instrumental in Trinity — hence in Hiroshima and Nagasaki — were looking into the ominous future in a letter to Henry L. Stimson, the secretary of war.

Far more effective atomic weapons, against which there would be no practical defense, they wrote, would become available; and the development of such weapons "would appear to be a most natural element in any national policy of maintaining our military forces at great strength."

But A.H. Compton, Enrico Fermi, Ernest Lawrence and J. Robert Oppenheimer then added a present warning: "Nevertheless, we have grave doubts that this further development can contribute essentially or permanently to the prevention of war. We believe that the safety of this nation — as opposed to its ability to inflict damage on an enemy power — cannot be wholly or even primarily



in its scientific or technical prowess. It can be based only on making future war impossible."

That letter is sadly recalled by Philip Morrison, now of the faculty at the Massachusetts Institute of Technology, in a review for the Union of Concerned Scientists of the 40 years since Trinity. The history of those four decades, he writes, is one of illusory attempts "to find a way to make more usable the power of nuclear weapons" — a history also proving technology to be "a double agent." For "what looks like a neat engineering advantage while it is needed is all too soon seen as a worrying challenge, once it has joined up with the other side as well."

Thus, after the U.S. atomic monopoly was ended on Aug. 29, 1949, by the first Soviet test explosion, President Truman ordered development of the "hydrogen or superbomb." And such a weapon was tested by the United States in November 1952 — after rejection of a proposal by Avenarius Bush to stop short of testing and to try instead for an agreement to halt development as long as no other nation conducted an H-bomb test. But this second U.S. technological monopoly lasted no longer than the first; the Russians tested their own H-bomb in late 1955.

The story was reversed in 1957, when the Russians first fielded an intercontinental ballistic missile. The United States followed in 1958.

But overall U.S. technological superiority produced photo-reconnaissance satellites and submarine-launched missiles in 1960. Moscow caught up in satellite technology in 1962 and tested submarine-launched missiles in 1964. The United States acquired solid-fueled ICBMs in 1962, the Russians four years later.

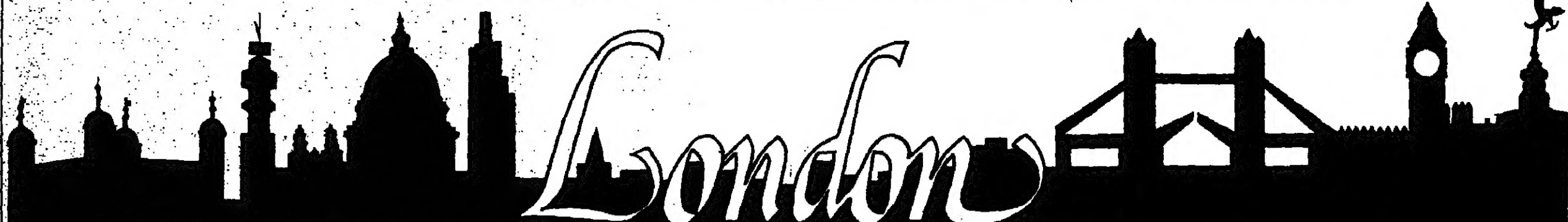
MIRVs — multiple warheads on a single missile — were conceived by U.S. planners to foil Soviet missile defenses by firing decoys as well as a real warhead. Missile defenses then were barred by the ABM treaty, but the Russians sought to test MIRVs in SAIT-1. But America developed MIRVs anyway, to carry out decoys but more warheads per missile.

By 1975 Washington had deployed 550 Minutemen with three warheads apiece, and had MIRVed the Poseidon submarine-launched missile. As might have been expected, Moscow began MIRVing in 1977, and by 1980 Ronald Reagan was campaigning against the "window of vulnerability" through which he said MIRVed Soviet missiles could destroy U.S. land-based missiles. The Soviet commission he later appointed urged a return to single-warhead missiles.

So it has gone for 40 years, with every technological gain for either side being matched, sooner rather than later, by the other. And Mr. Morrison sees that grim history repeating itself — in cruise missiles, for example, which ultimately could threaten the United States across its long, vulnerable coastline; in improved guidance technology, which makes both sides' missiles more accurate; and in Mr. Reagan's Strategic Defense Initiative, which would mean also an end to "arms control verification, and to the most effective means of early warning against nuclear attack."

The New York Times.

London welcomes the American Bar Association



"When a man is tired of London he is tired of life; for there is in London all that life can afford." Dr. Samuel Johnson, 20th September, 1777

A Storehouse of Stores and History

by Moss Murray

London is a storehouse of some of the best known shops and stores in the world. Many of them are part of the city's history and have contributed a few sentences to the commercial story of the metropolis, while others have tried to swim against the tide of change and foundered.

Swan & Edgar, once a landmark at Piccadilly Circus, never quite came to terms with the mood of the post war world and finally sank in a sea of dissatisfaction.

In contrast, Fortnum & Mason's frock coated staff in the store's food hall have become not an anachronism, but a tradition that links the present with a past that is sadly gone. Through them, the age of courtesy, service, knowledge and attention is still with us.

There is history, too, in Regent Street, which is home for a company started even earlier than Fortnum's, in 1667. Although Hedges and Buder did not move to their

present site for another 150 years they are, probably, the oldest firm of wine merchants to have remained in continuous business for more than three centuries.

Another drinks company founded more than 150 years ago has also been keeping the British flag flying ever since. This is the firm started in London in 1830 by Charles Tanqueray to produce a gin of superior quality. Since then no one else has succeeded in producing a spirit to match it.



Mappin & Webb, Regent Street

forging the first link in a great silver chain of tradition that has prospered and grown throughout the world. Today Mappin & Webb have pride of place internationally - with the first of their overseas branches in Johannesburg opening in 1896 during the gold rush.

In the heart of Mayfair is another of London's great stores. Thomas Goode has been serving those who demand the finest since they began trading, first in Hanover Square in 1827, and since 1876 at their present galleries in South Audley Street. They have never sought to be the biggest, only the best.

Back in Regent Street there is, possibly, the most

famous toy shop in the world - Hamleys - which is an Aladdin's Cave of delights for boys - and girls - of all ages. It begins the moment you step through the front doors and see the vast model railway that circles almost the entire ground floor. The store has small home railways from as little as £10, or you can spend several thousand pounds buying a limited edition model

locomotive with every part a replica in miniature of the real engine.

There are petrol driven cars and Peggy Nisbett hand made talking lookalike dolls of Princess Diana, Prince Charles, Senator Kennedy and President Reagan. There are games galore. Most popular is Trivial Pursuits, while Scrabble sets almost walk out of the store.

North of Oxford Street is Large's, a salon which seeks to take the frustrations out of fashion for those who need outsize. Too often there is no way women who are over size

14 can walk into a store and find what they want. At Large's, 84 Marylebone High Street, this is a speciality... and in fine fashions, too.

For bargains galore, head for Harvey Nichols in Knightsbridge, next to the tube station. All six floors are filled with gifts and goods that have been slashed in price, sometimes by as much as 75%.

On the ground floor, cashmere scarves for men and women which normally cost £37, are being sold during the present sale at £19.95. Mens shirts by Dior are reduced in price from £29.95 to £19.95 and Valentino designer suits currently cost £195 instead of £295.

Finally, there is Harrods, possibly the finest store in the world. Its saga began in 1849 when Henry Charles Harrod took over a small grocery shop in Brompton Road. Expansion was continuous. Even a fire on December 6, 1883, failed to stop the tradition of Harrods service.

The following day a letter was posted to its customers: "I greatly regret to inform you, that in consequence of the above premises being burnt down, your order will be delayed in execution a day or two..."

Now the bargains are here again. Their 1985 summer sale is on and continues until July 27. For sportsmen there is a Sam Sneed set of golf clubs reduced from £295 to £195, and for house proud men and women a Kaimure fine handknotted Persian carpet is priced down from £439 to £218.

There is, it seems, always something interesting going on in one of London's store houses.

A Fashion Mix of Politics and Pop

by Anne Price

London's high street styles that clash with Establishment British fashion, have emerged once again as the ideas pot of the eighties.

During the last four or five years overseas buyers have begun crowding into London once more and filling designers' order books. The government has been out in front with Margaret Thatcher's message to the clothing industry to get up and win. And politics has helped designer of the year Katharine Hamnett (T-shirt slogans like "Nuclear Free Zone" and "Education not missiles" have been splashed across the nation's chests) reach international status.

Analysing the dramatic change in fortune, reminiscent of the Swinging Sixties, it appears designers are split into two camps - Them and Us, the way radical new fashion always starts. Currently, the Street fashion of the young is ahead by several lengths and has penetrated some establishment strongholds.

This is a unisex movement, with men's wear equally affected. But many people still do not understand what Street fashion is all about.

Stalls at Kensington Market, Portobello Road and Camden Town fuelled the flame that was to burst into a fashion inferno. The eighties began to swing and youth seemed to be wearing fancy dress.

In Paris, Jean-Paul Gaultier was doing the same thing, in an up-market way. Young England loved his stuff and London's trendiest shopkeeper, Joseph in Sloane Square, bought it.

In the heart of Sloane Square, Joseph's shop at 6 Sloane Street, SW1 has Betty Jackson, Jean Paul Gaultier, Katharine Hamnett, Body Map, Richmond and

Cornejo and Benstock and Speirs, all Street stylists of renown.

Up-dated, elegant sophistication is at Roland Klein, 26 Brook Street, W1. His dashing clothes can be spotted at top stores like Harrods and Harvey Nichols.

Still in Mayfair is Place Vendome at temporary premises at 36 Dover Street where they are showing, exclusively in London, the latest collection of Italian designer Andrea Odicini. He will shortly be opening a couture house in Rome.

He already designs for one member of the British royal family and Americans seek out his originals at Bergdorf Goodman. He favours silks and cottons and specialises on designs for every occasion. Jean Muir, Britain's best loved and most prestigious

designer, is what mainstream fashion here is all about. Her on-going approach to today's fast changing market is seen in her current collection, when short little skirts slip above the knee beside totally different hem lengths. Muir's clothes can be seen at Lucienne Phillips, 89 Knightsbridge, SW1, where exceptional and special home-grown fashion is always in stock. Chic of Hampstead (another great stop to see British designer clothes). Harrods and Harvey Nichols also have Jean Muir.

Fashion is big news in London. Crazed with jodhpurs (in heavy tread or silk brocade) and the romantic English riding look, a nutty mixture of early hippy and Dallas is going down well beside the modernised, imaginative classics that come from stars like Bruce Oldfield, Caroline Charles, Nigel Preston, Salmon & Greene, Jasper Conran and David and Elizabeth Emanuel.

The Kanga Collection

Lady Teyan welcomes The American Bar Association and invites them to join her at Kanga, 8 Beauchamp Place, Knightsbridge, to view her collection of washable, one size, uncrushable dresses, designed for the travelling Lady. 8 Beauchamp Place, London, SW13. 01-581 1185

13 YEARS BEFORE THE BOSTON TEA PARTY...

...William Hamley opened his new toy shop in London. He set out to cater for the carriage trade of the day, selling 'only the best for the best'.

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And you can have your own tea party in our Edwardian restaurant.

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So long as you are young in heart we promise you a magical experience.

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Harvey Nichols, Knightsbridge, London SW1.

Treatment while you wait

by Jill Graham, medical journalist

Last year the Swedish company, Medent opened 'Medical Express' the first UK 'Walk-in, No wait' clinic. This well equipped building is situated in the West End, off Oxford Street. The centre offers treatment for minor injuries and ailments. If your condition is serious you will be transferred to the nearest hospital or appropriate medical service.

The doctors are specialists who have consulting rooms in the nearby Harley Street area. They work on a sessional basis and Medical Express aims to have one surgeon and one physician on duty at all times. It is open between 8am and 8pm Monday-Friday and 8am to 6pm on Saturdays. A consultation costs £35 and X-rays, ECG and blood tests are extra.



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FRIDAY, JULY 19, 1985

TECHNOLOGY

The Creation of a Culture And Genetics of the Future

By ANDREW POLLACK

HAYWARD, California — In a sterilized room at the headquarters of Bio-Response Inc., glass vessels hang on racks, gently jiggling. The room is kept at human body temperature. Inside the vessels are thin, hollow plastic fibers, performing many of the same functions as capillaries. They circulate a mixture of nutrients and oxygen meant to stimulate blood.

The mimicry of body conditions is no coincidence. Inside the glass vessels, Bio-Response is trying to grow human and other mammalian cells. "We have an intensive-care unit for cells," said Alfred Daniel, the company's president. Such cell cultures, as they are called, promise to become factories of the future, making the products of genetic engineering.

The biotechnology industry has been Escherichia coli, a type of bacterium commonly called E. coli. But scientists now find that it is not always capable of producing what is required. So the search is on for alternatives.

In genetic engineering, genes containing the blueprint for making a certain protein, such as insulin, are inserted into human or animal chromosomes and implanted in a host organism, which then starts producing the desired substance.

E. coli became the main host organism because it was the first species scientists learned to implant foreign genes into. The bacteria multiply rapidly.

But E. coli bacteria have several shortcomings. The substances they produce remain inside them, rather than being secreted. To retrieve the desired product, therefore, the bacteria must be split apart, adding to the processing costs. In addition, E. coli produce certain toxins, which also must be separated from the desired product. And in some cases, such as the human growth hormone being tested by Genentech, the human body has had some problems accepting products made by E. coli.

Perhaps a more fundamental drawback is that E. coli, being simple creatures, are simply not capable of producing certain highly complex substances that an animal can make. It is not enough to merely assemble atoms in the correct sequence. Proteins must be folded in a certain way to be active. In some cases, sugars must be attached to the proteins to help them function properly in the body. Bacteria cannot add the sugars and sometimes do not fold correctly.

YEAST, a leading alternative, can add the sugars, though not necessarily the exact ones a mammalian cell would add. Moreover, yeast can secrete the products it produces, making it easier to collect the finished product.

Chiron Corp. of Emeryville, California, hopes its hepatitis B vaccine will become the first yeast-produced genetically engineered product on the market. But others say yeast does not always make enough of a desired product to make extraction feasible. Zymogenetics Inc., a Seattle company that started out specializing in yeast, is now diversifying because yeast has not lived up to its promise, Alan Upshall, a senior scientist, said.

Zymogenetics hopes to become a leader in the use of filamentous fungi, long used to produce industrial enzymes and antibiotics. But it was only two years ago that scientists figured out how to implant foreign genes into fungi.

Attention is also focusing on other bacteria. About 300 scientists gathered at Stanford University recently to discuss Bacillus subtilis, a soil-dwelling bacterium that also can secrete products. Some scientists believe, however, that the only way to produce the most complex human and animal proteins, with the proper folding and sugar coating, is to use genuine human or animal cells.

Genentech has chosen mammalian cells over E. coli for a potentially major product — tissue-type plasminogen activator, a

(Continued on Page 17, Col. 8)

Chrysler Says Net Fell 26%

Company Cites Bigger Tax Bill

Compiled by Our Staff From Dispatches

DETROIT — Chrysler Corp. reported on Thursday second-quarter net profit of \$59.4 million, or \$3.02 a share, down about 26 percent from \$80.9 million, or \$4.48 a share, a year earlier.

But Chrysler's chairman, Lee A. Iacocca, said the company had operating profit of \$85.2 million in the quarter, up 3 percent from a year earlier. The drop in the net income figure was attributed to a higher corporate tax.

Sales for the second quarter, however, were \$5.98 billion, up about 14 percent from the year earlier \$5.25 billion, Chrysler said.

For the first six months, Chrysler reported earnings of \$1.1 billion, or \$9.19 a share, down about 27 percent from \$1.5 billion, or \$12.12 a share, during the like period last year.

Net sales for six months totaled \$11.4 billion, up 12 percent from \$10.2 billion in the first six months of 1984.

Mr. Iacocca also said the company has increased its five-year spending plan to \$11.5 billion from \$10.5 billion.

"The auto just went up by a billion dollars," Mr. Iacocca said. "We think that's what we have to spend to stay competitive, keep Chrysler strong and protect the jobs of our employees."

Mr. Iacocca said Chrysler would invest more than \$160 million in its Sterling Heights, Michigan, assembly plant to accommodate production of the company's new sporty compact models, the Plymouth Sundance and Dodge Shadow, which will begin production next May.

Chrysler also will invest more than \$200 million in two other Detroit-area plants — \$150 million at the Trenton Engine Plant and \$50 million at the Outer Drive Manufacturing Technical Center in Detroit.

The additional investment in the Trenton plant will increase production capacity for four-cylinder engines, Mr. Iacocca said. (UPI, AP)

Baxter Predicts Savings on Merger

Outlines Plans For Health-Care Conglomerate

By Steven Greenhouse

New York Times Service

CHICAGO — As health-care executives began to assess the problems and opportunities that might result from the merger announced Monday of Baxter Travenol Laboratories Inc. and American Hospital Supply Corp., Vernon R. Loucks, Baxter's chief executive, provided the first glimpse of some of his plans to mesh the two leaders in the hospital-supply industry.

He painted a picture of an industry giant that would realize considerable savings, perhaps as much as \$400 million annually, by combining complementary operations, and be able to pour more money into research and innovation.

At the same time, however, he said that significant "synergies" between the companies would not start to take effect until 1987, and predicted that the first full year in which the companies would enjoy all the benefits of the merger would be 1990. The \$3.8-billion merger is not likely to take place at least until September because of possible antitrust problems, according to Baxter officials.

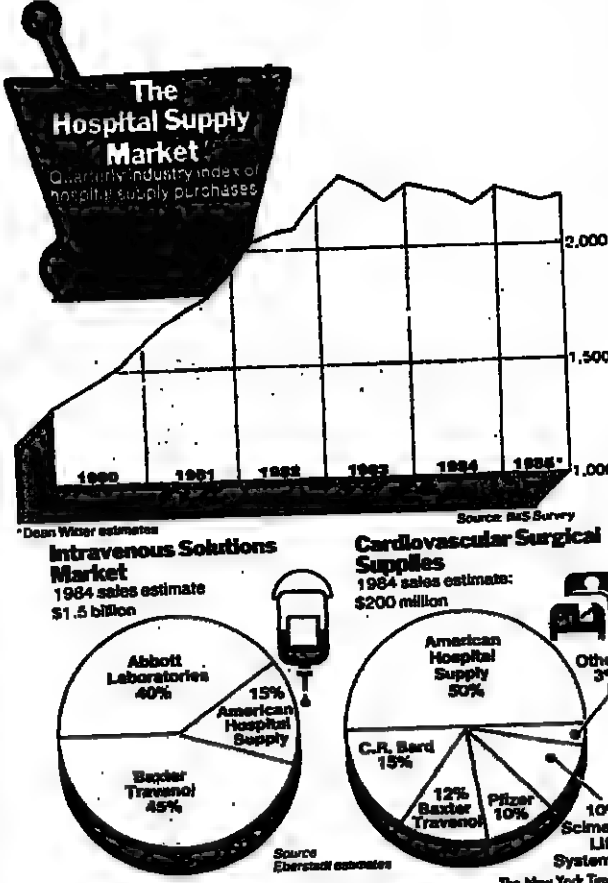
Until the efficiencies begin to take shape, Mr. Loucks said, there will be earnings dilution. Joseph D. Liffmann, an analyst with Drexel Burnham Lambert Inc., estimated that the merged companies' earnings would be \$250 million next year, compared with combined earnings of \$266 million last year, which was an average poor year for the industry.

While Mr. Loucks will be chief executive of the company, Baxter officials declined to say what role, if any, Karl D. Bays, American Hospital's chairman, would play in the new company, except to say he has been offered an unspecified high-level position as well as one of the six seats that American Hospital's directors have been offered on Baxter's board. Mr. Bays did not return calls on the question of business.

The first order of business, Mr. Loucks would be to deal with the potential antitrust problems through divestitures of selected businesses. He cited intravenous solutions and equipment for separating cells from donated blood as primary candidates for divestiture.

Mr. Loucks said Baxter has about 50 percent of the intravenous market and American's McGaw division has about 15 percent. McGaw, which Mr. Loucks hinted might be sold, has almost \$250 million in sales annually.

Larry N. Feinberg, an analyst with Dean Witter Reynolds Inc., suggested that pharmaceutical companies, especially Warner-Lambert Co. and Eli Lilly & Co., might be interested in buying McGaw, since more than three-fourths of intravenous solutions have some drugs added to them. Mr. Feinberg also said American Hospital's blood-processing division, with annual sales of about



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\$30 million, probably would be sold. But industry analysts also predicted that the merged company could face antitrust problems in other areas as well, including heart-lung equipment used during open heart surgery. Raul F. Esquivel, an analyst with F. Eberstadt & Co., said that American has about \$100 million a year in this business, or about 40 percent of the market, while Baxter has about 10 percent of the market. He predicted that Baxter operation would be sold.

As Baxter looks at operations to be cut for antitrust reasons, it is also eyeing businesses that can be added or combined to the two companies fit together.

Mr. Loucks said that American's and Baxter's distribution systems would be merged, that excess production capacity would be ended and American's international operations would

(Continued on Page 13, Col. 6)

Monsanto, Searle To Merge Under \$2.7-Billion Pact

The Associated Press

SKOKIE, Illinois — G.D. Searle & Co., a pharmaceutical company, and Monsanto Co., a chemical company, announced Thursday that they had agreed to merge in a transaction valued at \$2.7 billion.

The companies, which had suspended stock trading earlier in the day pending the announcement, said in a joint statement that Searle and Monsanto had entered in a definitive written agreement for the acquisition of Searle by Monsanto for \$65 a share in cash.

"Searle will now join forces with a financially strong, large enterprise with common strategic interests and a determination to see that the goals we have vigorously pursued for our company are achieved and exceeded," Donald Rumsfeld, Searle's chairman and chief executive officer, said in the statement.

R. J. Mahoney, Monsanto's president and chief executive officer, said his company was "extremely pleased to be joining forces with such an established and respected company."

The agreement provides that St. Louis-based Monsanto will make a cash tender offer as quickly as possible for all shares outstanding of Searle's common stock at \$65 a share as a first step in the acquisition.

The tender offer is not contingent upon any minimum number of shares being tendered.

Searle's stock rose \$4.12 1/2 Thursday on the New York Stock Exchange to close at \$63.87 1/2. Monsanto fell \$1.62 1/4 to close at \$51.

Searle is a research-based company that develops, manufactures and markets throughout the world prescription pharmaceuticals, consumer pharmaceuticals and low-calorie sweetener products.

It makes and markets the artificial sweetener aspartame under the trademark NutraSweet.

Monsanto is one of the world's leading producers of herbicide and is a worldwide supplier of electronic-grade silicon. The company also makes AstroTurf, an artificial surface used on sports fields.

Searle last year began exploring the possible sale of the company, or

parts of the company, in considering methods for diversifying the Searle family interests, the statement said.

Monsanto was reported in February to have made a \$1.3-billion bid for Searle's pharmaceutical division.

The exploratory effort ended last March, when Searle's board announced the company would continue as an independent entity.

Thursday's announcement followed "an unexpected and unsolicited contract from Monsanto expressing interest in pursuing a transaction," the statement said.

It said Searle's board of directors had "unanimously concluded that this transaction is in the best interests of Searle's shareholders, employees and customers and business partners, and will recommend that Searle's shareholders tender their shares."

Dollar Rebounds In New York

United Press International

NEW YORK — The dollar rebounded Thursday in New York despite the Commerce Department's report that the U.S. economy grew at a weak 1.7-percent annual rate in the second quarter.

One dealer, noting that the GNP figure had apparently been leaked Wednesday, said the GNP could have been accounted for in the previous day's decline. Testimony on the U.S. trade deficit by Paul A. Volcker, the Federal Reserve chairman, before Congress also was considered to have softened the dollar's fall, several dealers said.

In trading in New York, the pound ended at \$1.402, down from Wednesday's \$1.4125. The dollar ended up, at 2.882 Deutsche marks, from 2.84; at 8.753 French francs, from 8.61; and 2.385 Swiss francs, from 2.333.

Major Banks Sell, Swap Some of Latin Debts

By Nicholas D. Kristof

New York Times Service

NEW YORK — Some major U.S. banks are finding partial relief for their mountain of Latin American debt in a few countries, according to Richard S. Weinstein, managing director of Leslie, Weinstein.

The market has emerged quickly. In it, an investor can, for instance, buy a Nicaraguan loan for about 10 cents for each dollar of face value or a Mexican loan for about 85 cents on the dollar. Although the market's volume is relatively small in relation to the total amount of Third World debt, it offers banks a way to spread their risks or rid themselves of a troubled loan.

"If the market grows and succeeds, it tells bankers that they don't have to live with their mistakes," said Giacomo De Filippis, president of Giadetti Inc., a loan brokerage firm in New York that says it handled \$450 million in debt sales last year. "It gives a bank the flexibility to adjust its portfolio."

The World Bank has gone so far as to say that the secondary market could widen the range of lenders and thus increase the stability of the global financial system.

Most of the transactions are swaps, but some are done for cash by corporations that have a business connection to a particular country, by risk-loving investors, and even by the debtors themselves who buy back their loans at a discount.

Banks engage in swaps to reduce their exposure in certain countries or to concentrate exposure in a few countries, according to Richard S. Weinstein, managing director of Leslie, Weinstein.

For example, some U.S. banks have been swapping their East European debt to European banks in exchange for Latin debt. British, French and German banks feel more comfortable with East European debt, while U.S. institutions are more familiar with Latin America.

Sometimes the debtors buy their own debt at a discount, relieving them of the responsibility to pay it back at full value. Private Latin companies have done this. Reportedly some countries, making the purchase through one of their public agencies, have used the market to acquire some of their own debt, saving them money and relieving the lender of a problem loan.

Multinational corporations also are buyers, though not for investment reasons. Particularly in the case of Brazil or Chile, companies often buy debt as a way to operate in those countries.

If a corporation wanted to build a \$10-million plant in Brazil, it could buy \$10 million worth of Brazilian debt from a bank for \$8 million and then trade that debt to the central bank of Brazil in exchange for the local currency needed to build the plant. The company would also get the rights of repatriation of profits that go with foreign investment.

Banks in the United States routinely sell portions of their portfolios of mortgages and government-guaranteed small business loans. But until investment bankers and specialists began to point out the opportunities to reduce exposure to Third World debt, the banks had tended to retain their loans to sovereign countries.

Ironically, the big New York City banks, which have the largest exposure to Latin American debtors, are loath to spread the word. Several refused to discuss the secondary trading of Latin loans.

One reason for the reticence, say other bankers and brokers, is that the transactions provide tangible evidence that many Third World loans are not worth their face value and the big banks fear that regulators would cite that as a reason to require larger loan-loss reserves. Also, attracting attention to the discounting of the loans might make it more difficult to get other banks to participate in new loans to help pay off the old debts.

The big money center banks are

(Continued on Page 13, Col. 7)

Currency Rates

Cross Rates	July 18
Amsterdam	2.365
Bombay	12.54
Frankfurt	1.825
London	1.000
New York	0.871
Paris	6.55
Stockholm	1.36
Zurich	2.04
1 ECU	1.936
1 SDR	1.737

Checklist in London and Zurich. Rates in other European centers. New York rates of 4 P.M. (a) Commercial bank (b) Amounts needed to buy one dollar (c) Amounts needed to buy one dollar (d) Units of 100 (e) Units of 100 (f) Units of 100 (g) Units of 100 (h) Units of 100 (i) Units of 100 (j) Units of 100 (k) Units of 100 (l) Units of 100 (m) Units of 100 (n) Units of 100 (o) Units of 100 (p) Units of 100 (q) Units of 100 (r) Units of 100 (s) Units of 100 (t) Units of 100 (u) Units of 100 (v) Units of 100 (w) Units of 100 (x) Units of 100 (y) Units of 100 (z) Units of 100 (aa) Units of 100 (ab) Units of 100 (ac) Units of 100 (ad) Units of 100 (ae) Units of 100 (af) Units of 100 (ag) Units of 100 (ah) Units of 100 (ai) Units of 100 (aj) Units of 100 (ak) Units of 100 (al) Units of 100 (am) Units of 100 (an) Units of 100 (ao) Units of 100 (ap) Units of 100 (aq) Units of 100 (ar) Units of 100 (as) Units of 100 (at) Units of 100 (au) Units of 100 (av) Units of 100 (aw) Units of 100 (ax) Units of 100 (ay) Units of 100 (az) Units of 100 (ba) Units of 100 (bb) Units of 100 (bc) Units 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	Vol.	High	Low	Last	Chg.
BAT 'n	11739	4 1/2	4 1/4	4 1/4	+ 1/8
TIE	10495	7 1/2	7 1/4	7 1/4	+ 1/8
TELEP 'g	4680	15 1/2	14 1/4	14 3/4	+ 1/4
MON 's	3233	58 1/2	57 1/4	57 1/4	+ 1/4
GICd p	2880	13 1/2	12 3/4	13 1/4	+ 1/4
KeePh	2624	11 1/4	11 1/8	11 1/4	+ 1/8

EnchBd	1066	12 7/8	2 3/4	1 3/4	—
Total Pnt	1618	2 3/4	2 3/4	2 1/2	—
DutPpd	234	1 7/8	1 7/8	1 7/8	—
Beane	876	18 3/4	17 1/2	17 3/4	+

AMEX Stock Index				
High	Low	Close	Ch	
227.53	226.38	226.51	—0.13	

CHRYSLER AT \$ 7?


As contrarians, CGR has been pre-conditioned to resist the "Crowd", to foray as loners, to exhibit fiscal courage, based upon common sense "dogma". Courage, on the "Street", is a rare commodity. When our pundits recommended CHRYSLER at \$7.00, we found it to be a "cheap" investment. One prestigious investment banker dubbed: "CHRYSLER as a logical bet, for bankruptcy; another STUDEBAKER PACKARD". Courage is more than the opposite of despair. Camus, Kierkegaard and Nietzsche, have proclaimed, in the subtleties of the language, the semantic difference between the absence of despair, it is, rather, the capacity to move ahead in spite of despair.

These decisions require courage. This is why Paul Millic speaks of courage as "ontological", it is essential to our being.

Were our analysts mutually eccentric or courageous, in having predicted, when the DOW was under 800, that the "DJIS" will touch 1,000 before hitting 750? At the time most oracles were bearish, even BARRON'S, succumbed; writing, on August 9, 1982, that the "market seems to be saying it has seen the future and it doesn't work."

When the DJ's drooped under 1100, in the summer of 1984, the "Street" cringed; investors shovelled out tons of dreams. We refuted their manic-depressive nature, stating.... "BUY, THE MARKET IS ABOUT TO ERUPT, VAPORIZING PROPHETS OF DOOM." And now? THE DJ'S WILL PASS 2,000, WITH COROLLARY GAINS IN EMERGING SHARES.

For your complimentary copy, please write to, or telephone ...



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Name: _____
Address: _____
Phone: _____

MT 19/7

Past performance does not guarantee future results.

12 Month Block		Div.	Yld.	PE	Stk. 100	High	Low	Close Sett.	Chrgs	12 Month High Low		Block	Div.	Yld.	PE	Stk. 100	High	Low	Close Sett.	Chrgs
24 1/2	24 1/2	Heine	1.60	8.9	14	1511	52%	5519	55%	28 1/2	27	KVUH	2.44	8.3	10	598	29%	29%	29%	
30	17 3/4	HeineC	18	18	17	17%	17%	17%		15 1/2	14	KerC	44	57	15	11%	11%			
24 1/2	18	HeineC	36	1.8	23	315	19%	19%	19%	28 1/2	17%	KerC	1.70	8.9	18	10	19	19		

Month		High Low		Close	
Month	Stock	Dr.	Yld. PE	Dr.	Yld. PE
21	KeyBank	2.44	42	29	39%
22	KeyBank	2.44	42	29	39%
23	KeyBank	2.44	42	29	39%
24	KeyBank	2.44	42	29	39%
25	KeyBank	2.44	42	29	39%
26	KeyBank	2.44	42	29	39%
27	KeyBank	2.44	42	29	39%
28	KeyBank	2.44	42	29	39%
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BUSINESS ROUNDUP

Coca-Cola Profit Increased 6% in 2d Quarter

ATLANTA — Coca-Cola Co. said Thursday that profit in the second quarter rose 6 percent on a 5.8 percent gain in revenue from the same period last year.

Net income for the quarter ended June 30 totaled \$196.1 million, or \$1.50 a share, compared with \$185 million, or \$1.40 a share, in the same period last year. Revenue came to \$2.04 billion, up from \$1.93 billion.

For the first six months of the year, net income rose 4.4 percent to \$377.3 million, or \$2.58 a share, from \$352.3 million, or \$2.42 a share. Half-year revenue rose 8.2 percent to \$3.79 billion from \$3.51 billion.

Our worldwide soft-drink business is engaged in a very dynamic period of activity across the product line, a fact which is reflected in strong volume and earnings," said Roberto C. Goizueta, chairman and chief executive officer.

The company announced last week that it would resume its old formula for Coke, under the name Coca-Cola Classic.

Mr. Goizueta said the company had a 3-percent gain in operating income, a reduction in its effective tax rate and fewer shares outstanding.

International soft-drink sales increased 12 percent in the second quarter and 11 percent in the first six months, the company said.

Apple Reports Loss, Sales Drop in 3d Quarter

CUPERTINO, California — Apple Computer Inc. reported on Thursday a net loss for its third quarter and a drop in sales.

The company reported a net loss for the third quarter of \$17.2 million, or 28 cents a share, compared with net income of \$18.3 million, or 30 cents a share, in the third quarter of the previous year.

Sales were \$74.9 million; down 12.6 percent from \$85.2 million in the same period last year, and down \$60.4 million from the second quarter.

Goldsmith Raises Zellerbach Stake

SAN FRANCISCO — In a week of heavy trading, Sir James Goldsmith said Thursday he had boosted his stake in Crown Zellerbach Corp. to about 45 percent of its shares outstanding.

Interviewed by telephone in London, the financier said he might call a special shareholders' meeting to try to halt a "scandalous proposal" by management to restructure the paper and forest products company.

According to Crown's bylaws, shareholders owning at least 40 percent of the company can call a special meeting of stockholders.

Lourho Reports 33% Profit Rise in First Half

LONDON — Lourho PLC reported Thursday that pretax profit for the first half rose 33 percent to £70.7 million (\$100 million) from £53 million in the first half of 1984.

Revenue rose to £1.28 billion, an 11.3-percent increase from £1.15 billion.

A £47.4-million extraordinary profit in the first half reflected the sale of Lourho's stake of almost 30 percent in House of Fraser PLC late last year, a spokesman said.

Lourho said overseas mining activities did well in the first half, with gold and platinum making major contributions. Tea, coffee and wattle had good first-half profits, although sugar was hurt by the fall in world prices.

The subsidiary Princess Properties International, with six hotels in Mexico, Bermuda and the Bahamas, is likely to exceed last year's results, the company said.

Lourho said the Audi and Volkswagen car-importing business and manufacturing activities are performing well.

Baxter Predicts Savings on Merger

(Continued from Page 11)

Mr. Loucks said revenues could be increased as a result of the merger by passing hospital supplies produced by Baxter's low-cost manufacturing plants through American's highly regarded distribution system.

"A lot of what they do is similar to what we do," Mr. Loucks said. "Some of our automation capabilities should be applicable in their plants and vice versa." In addition, he said Baxter should benefit from the computerized system for ordering supplies that connects many hospitals with American.

He also said that the cash flow produced from the merger would turn the combined company into a research and development powerhouse.

"Today you need substantial cash flow to fund this type of research," Mr. Loucks said, "and I see this as a major reason for the merger."

"We've been going through a period in which the health-care industry has really been shrinking," Mr. Loucks added, speaking from his office in Deerfield, Illinois, a suburb north of Chicago. "It seems to me that the ability to survive depends on being the low-cost producer and that depends on scale."

ings of \$43.6 million in the second quarter, down 8 percent from \$47.4 million a year earlier. Earnings per share fell to 30 cents a share from 34 cents. Sales for the quarter were \$499.8 million, up 6 percent from \$473.5 million in the quarter a year earlier.

Banks Sell, Swap Latin Debts

(Continued from Page 11)

very cautious about the entire market, and they usually go through intermediaries," said Christine A. Bogdanowicz-Bindert, a senior vice president at Shearson Lehman Brothers, one of the firms that arranges the loan swaps and sales.

"If you're going to give new money," she said, "and you trade paper at a discount, that doesn't look so good — especially if your chairman is calling up regional banks and trying to get them to contribute new money."

Sales volume of Latin debt picked up enough to be called a market in late 1983, brokers said.

Small- and medium-sized banks in the United States and abroad are the primary players in the market.

About a dozen brokers are significant players in the market, putting buyers and sellers together. They range from small investment banks, such as Glaxo and Leslie Weiner & Co., to large financial houses like Shearson Lehman and Salomon Brothers.

Many commercial banks, such as Citicorp, Bankers Trust and Morgan Guaranty, also arrange the

transactions, brokers say. Fees vary enormously, and are dropping under competitive pressure, but they still range up to 1 percent, and sometimes more.

There are no hard figures, but estimates put the market total at about \$3 billion worldwide in 1984, mostly in swaps. That pales compared with the amount of foreign loans outstanding, with \$360 billion in Latin American foreign debt alone.

Nonetheless, the deals offer some inkling of what foreign debts may really be worth, although everyone cautions that the discounts are only the roughest of indicators.

Loans to Bolivia, which is more than a year behind in interest payments and which suffers from possibly the most chaotic economy in the world, sell for about 30 cents on the dollar. Peruvian debt, under the burden of that country's economic woes and a guerrilla war, trades for half of its face value. Argentine debt trades for about 70 cents on the dollar, while loans of Venezuela, probably the least troubled Latin debtor, sell for about 90 percent of face value.

ADVERTISEMENT INTERNATIONAL FUNDS

Quotations Supplied by Funds Listed

18 July 1985

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose quotes are based on last close prices. The following symbols indicate frequency of trading: (D) — daily; (W) — weekly; (M) — monthly; (Q) — quarterly; (Y) — yearly; (N) — not trading.

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COMPANY NOTES

American Motors Corp. is likely to incur a loss of \$80 million to \$90 million this year, and will have a deficit again in 1986, Georges Besse, head of the French government-owned automaker, Renault, said in Paris. Mr. Besse confirmed that AMC would receive a two-year loan of \$175 million from Renault.

British Telecommunications PLC said in its annual report that its first year as a public company produced pretax profit of £1.48 billion (\$2.08 billion) for the year ended March 31, up from £990 million the previous year.

Ford Motor Co. introduced its new Aerostar minivan, saying it invested about \$350 million to retool and modernize its St. Louis assembly plant to build the vehicle, which will be sold in the United States in both passenger and commercial models.

General Electric Co. said it will lay off 1,300 workers in Singapore in the next two weeks because of a sharp fall in demand for its electrical products, particularly in the United States. The cuts will bring to 2,700 the total number of workers laid off by GE in the past five months.

Habitat for Humanity PLC said it bought 500,000 shares of Gannett PLC ordinary shares at prices ranging from 452 pence to 471 pence per share. The purchase was prompted by the attraction of Burton as an investment and by Habitat's desire to provide Burton with active support in its bid for Debenhams PLC.

Hongkong Land Co. said it has awarded a contract for 128 million Hong Kong dollars (\$16.55 million) to Gammon Hong Kong Ltd. to build the substructure of the second phase of its new office complex.

JGC Corp., Kellogg Overseas Corp. of the United States and Raymond Engineers Australia Pty. have won a 400-million-yen (\$1.68-billion) order from Woodside Offshore Petroleum Pty. to build liquefied natural gas plants in Australia.

RCA Corp. said earnings in the second quarter ending June 30 rose 5.4 percent from a year earlier to a record, helped by strong performance from NBC and its aerospace and military divisions.

Profit in the three months rose to \$115.8 million, or \$1.36 a share, from \$109.9 million, or \$1.13 a share.

Sperry Corp.'s chairman, Gerald Probst, said an "informal inquiry" was being made by the U.S. Securities and Exchange Commission into trading in the company stock before merger talks with Burroughs Corp. were announced last month. The talks failed.

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Manufacturers Hanover

McGraw-Hill

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"Significant increase in half year results with record profits"

R W Rowland, Chief Executive

Dear Shareholders,

I am pleased to report a significant increase in the half year results to March 1985 with record profits again.

Profit before tax has risen by 33 per cent. to £70.7 million and profit attributable to shareholders at £28.8 million is up by 23 per cent. compared with last year.

In the United Kingdom, the Audi and Volkswagen car distributorship, and manufacturing activities, are performing well. In the current year Lourho's total sales of new vehicles in the United Kingdom alone will exceed 150,000 units, thereby making us the largest distributor network. The partial closure of Crockford's for re-decoration during the first half of the year affected the overall results of our ten casinos. A new casino in Queensway, London, has been licensed to operate and is being prepared for opening.

Overseas our mining activities have done well in the half year, with gold and platinum being major contributors.

Princess Properties International, which owns six hotels in Mexico, Bermuda, and the Bahamas, together with the Bahamas Princess Casino, is likely to exceed the results of last year.

Agricultural reports are mixed for the half year, with good profits from tea, coffee and wattle, whereas sugar has been affected by a fall in world prices.

In May, Lourho Finance Plc, a wholly-owned subsidiary, issued U.S.\$40 million 6½ per cent. Convertible Bonds Due 2000. The Bonds are unconditionally guaranteed by, and convertible into Ordinary Shares of, Lourho at 185p per share. The fixed rate of exchange for conversion is \$1.2385 to £1 and therefore on full conversion 17.5 million shares would be issued.

Profit Projection

I am confident that 1985 as a whole will be a highly satisfactory year, particularly as Lourho traditionally shows an improved second half.

18 July 1985

The unaudited results of the Lourho Group of Companies in respect of the six months ended 31 March 1985 are as follows:—

	6 months to 31 March 1985	6 months to 31 March 1984	Increase
Turnover	1,276.6	1,147.6	11
Profit before tax	70.7	53.0	33
Tax	35.4	25.6	
	35.3	27.4	
Minority interest	6.5	3.9	
Profit attributable to shareholders before extraordinary items	28.8	23.5	23
Earnings per share	10.9p	8.9p	

	6 months to 31 March 1985	6 months to 31 March 1984	Increase
Profit attributable to shareholders before extraordinary items	28.8	23.5	23
Earnings per share	10.9p	8.9p	

- Notes:
- The Group's share of the turnover of associates for the six months ended 31 March 1985 was £328.8m (1984—£254.0m) and is excluded from the above.
 - Profit before tax includes profits from associates of £16.6m (1984—£24.8m).
 - Tax charge: because of the incidence of accelerated capital allowances, the tax charge provided at the half year can only be estimated.
 - Extraordinary profits £47.4 million.

Dividend

The Board has declared a second interim dividend of 4.00p per share (equivalent to 5.7143p per share including the related tax credit) for payment on 1 October 1985 to shareholders on the Register at 30 August 1985, representing an increase of 14.3 per cent. over the second interim dividend of 3.50p paid last year. This dividend is in addition to the first interim dividend of 1.00p (1984—1.00p) per share (equivalent to 1.4286p per share including the related tax credit) declared on 31 January 1985 and paid on 4 April 1985.

LONRHO

LONRHO Plc, CHEAPSIDE HOUSE, 138 CHEAPSIDE, LONDON EC2V 6BL

Geneva

We have pleasure in announcing the following appointments:

MOHAMED BEN ABDALLAH
Manager-Stock Exchange

ALI BENOuari
Deputy Manager-Foreign Exchange & Treasury

SAUDI FINANCE CORPORATION
Member of Al Saudi Bank Group
2, rue Thalberg
P.O. Box 901
CH-1211 GENEVA 1 - Switzerland

Gold Options (quoted in \$/oz.)

Month	Open	High	Low	Settle
Aug	125.125	125.125	125.125	125.125
Sep	125.125	125.125	125.125	125.125
Oct	125.125	125.125	125.125	125.125
Nov	125.125	125.125	125.125	125.125
Dec	125.125	125.125	125.125	125.125

Volcan White Weld S.A.
1, Quai de Mont-Sauve
1211 Geneva 1, Switzerland
Tel.

12 Month	6 Month	3 Month	1 Month	Slip	Chase

(Continued from Page 12)

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Net		Basis in				Net	
3 P.M. Chgo		100s	High	Low	3 P.M. Chgo		
6 1/2	+ 1/8	IVB Fn	2.20	5.8	282 3/4	37 1/2	370
2 1/2	- 1/8	Icof			311	6 1/2	5 7/8
49	- 1/2	Imalm			157	2 1/2	2 1/2
15	- 1/8	Imune			37	6 1/2	6 1/2
12	+ 1/8	Imune			8	6 1/2	6 1/2

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(Continued on Page 15)

The Creation Of a Culture

experience with Conoco in Southeast Asia, the United States, the Middle East and Britain.

Hobart Corp., a unit of Danz & Kraft Inc., has appointed Enzo De Benedetti president of Hobart International's European division, based in Offenburg, West Germany. Mr. De Benedetti joins Hobart after holding several senior management positions with international companies, most recently as vice president, operations and planning, for International Harvester Co. in Europe.

By Colin Chapman
International Herald Tribune

LONDON — Northwest Airlines has made several senior appointments to expand further the airline's share of international mar-

John F. Horn has been elected executive vice president, corporate planning and international. He will have responsibility for eight major areas reporting directly to him, including Orient region, Atlantic region, airline planning, communications and computer services, regulatory proceedings, pricing and scheduling. Mr. Horn has been vice president for the Orient region for four years.

The airline named Allen W. Johnson, Mr. Horn's successor

July 19 | August 19 | September 19 | October 19 | November 19 | December 19

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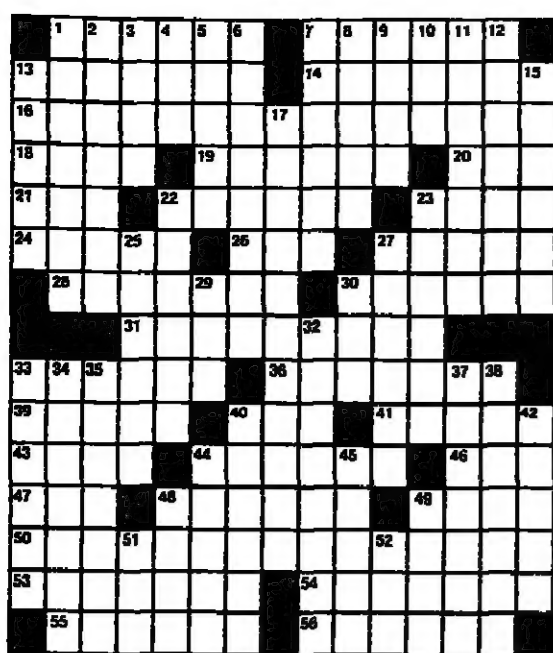
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ACROSS

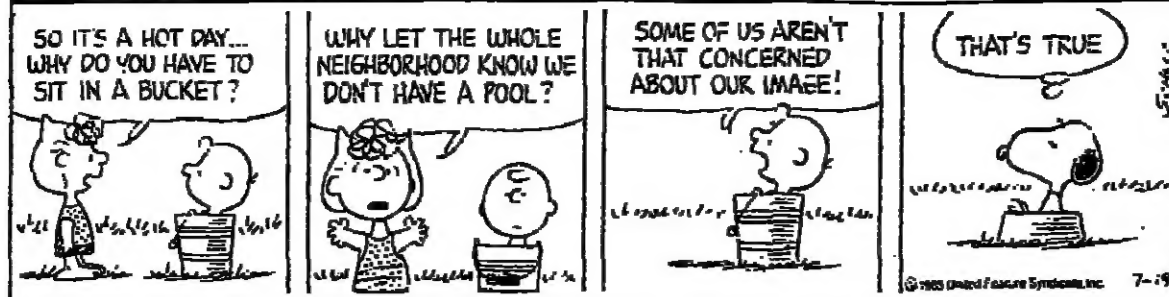
1 Longboats
7 Hastens
13 Barren
14 Surpass on the track
16 A Western grass
18 Gas: Comb. form
19 Get — (become accustomed)
20 Malaprop was one
21 Certain nouns: Abbr.
22 Franklin and others
23 Cabbagelike plant
24 Defunct alliance
26 Rorem or Buntline group
27 Quiz-show
28 Pre-eminent
30 Guinness Book entries
31 A condiment
33 Builders
36 Fail to take care of
39 Greek contests
41 Resinous wood

DOWN

1 Family of Addis's colleague
2 Surveys lasciviously
3 Church publication
4 Lute
5 — (It's raining): Fr.
6 Like some employment
7 Did a lawn job
8 Links strokes
9 Combining form in chemistry
10 Stray
11 Evil spirits
12 Red-faced
13 Cookies
15 De Soto contemporaries
17 Eternal
18 Infirmary
22 Gannets
23 Monopoly
25 Siouxan people
27 Column
29 W. units
30 — and (remnant)
32 Trade routes
33 Finnish money
34 Can
35 Like the porter in "Macbeth"

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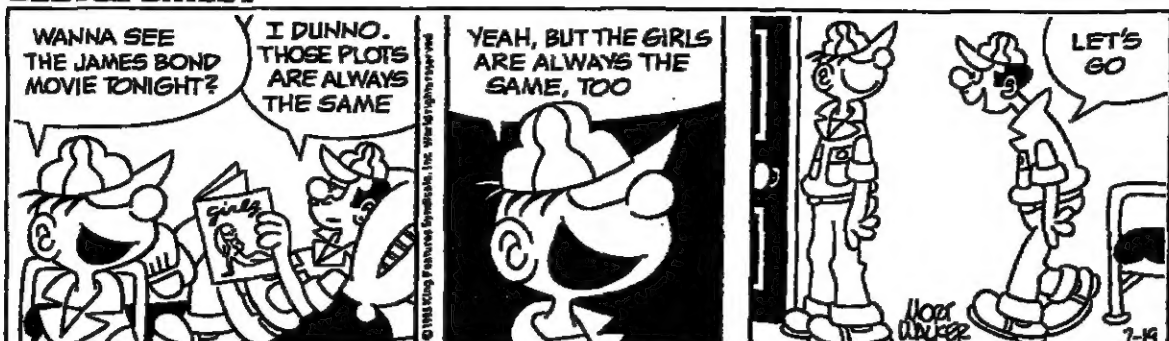
PEANUTS



BLONDIE



BEETLE BAILEY



ANDY CAPP



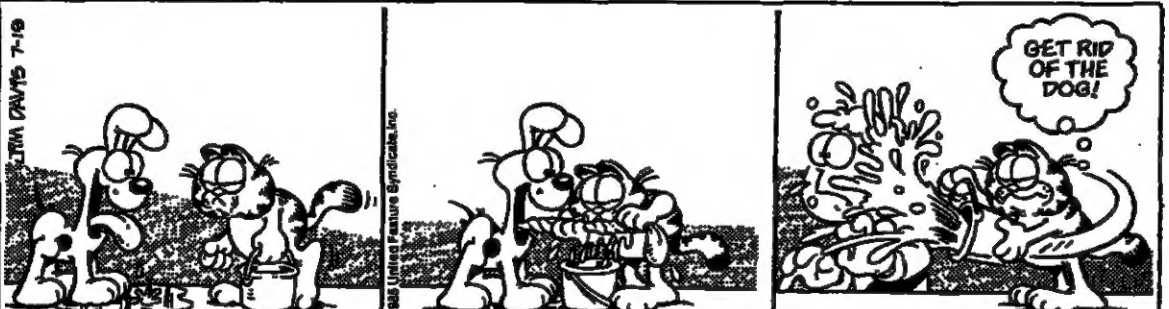
WIZARD OF ID



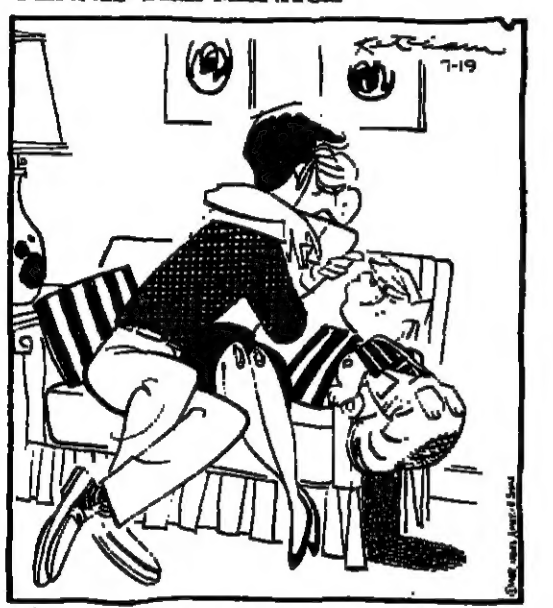
REX MORGAN



GARFIELD



DENNIS THE MENACE



JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.

RYTAR
EDGUF
NIPPEG
ARROMT

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: THE _____ OF AN _____

(Answers tomorrow)

Yesterday's Jumble: BRAVE PAPER HAWK FATHOM
Answer: What his wife's more turned out to be—A "MOTHER-IN-LAW."

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	24	18	Beijing	24	18
Amsterdam	24	18	Bombay	24	18
Athens	24	18	Hong Kong	24	18
Berlin	24	18	Kobe	24	18
Bombay	24	18	London	24	18
Buenos Aires	24	18	Manila	24	18
Calcutta	24	18	San Francisco	24	18
Cairo	24	18	Singapore	24	18
Canton	24	18	Tokyo	24	18
Cebu	24	18			
Colon	24	18			
Hankow	24	18			
Hong Kong	24	18			
Kobe	24	18			
London	24	18			
Manila	24	18			
San Francisco	24	18			
Singapore	24	18			
Tokyo	24	18			

World Stock Markets

Via Agence France-Presse July 18

Closing prices in local currencies unless otherwise indicated.

Amsterdam	Close	Prev.	London	Close	Prev.
ABN	42.30	42.30	AA	10.10	10.10
ABN-Holding	42.30	42.30	AA-1	10.10	10.10
ABN-2	42.30	42.30	AA-2	10.10	10.10
ABN-3	42.30	42.30	AA-3	10.10	10.10
ABN-4	42.30	42.30	AA-4	10.10	10.10
ABN-5	42.30	42.30	AA-5	10.10	10.10
ABN-6	42.30	42.30	AA-6	10.10	10.10
ABN-7	42.30	42.30	AA-7	10.10	10.10
ABN-8	42.30	42.30	AA-8	10.10	10.10
ABN-9	42.30	42.30	AA-9	10.10	10.10
ABN-10	42.30	42.30	AA-10	10.10	10.10

Singapore	Close	Prev.	Sydney	Close	Prev.
Gold Storage	10.10	10.10	AA	10.10	10.10
Gold Storage-1	10.10	10.10	AA-1	10.10	10.10
Gold Storage-2	10.10	10.10	AA-2	10.10	10.10
Gold Storage-3	10.10	10.10	AA-3	10.10	10.10
Gold Storage-4	10.10	10.10	AA-4	10.10	10.10
Gold Storage-5	10.10	10.10	AA-5	10.10	10.10
Gold Storage-6	10.10	10.10	AA-6	10.10	10.10
Gold Storage-7	10.10	10.10	AA-7	10.10	10.10
Gold Storage-8	10.10	10.10	AA-8	10.10	10.10
Gold Storage-9	10.10	10.10	AA-9	10.10	10.10

BOOKS

STUBBORN CHILD

By Mark Devlin. 255 pages. \$14.95.
Atheneum, 597 Fifth Avenue, New York
N.Y. 10017.

Reviewed by John Gross

WHEN Mark Devlin was admitted to the Rosindale Detention Center near Boston in 1956, he was locked in a room where it was pitch-black. He began screaming for his mother. When he heard a jingle of keys, he was convinced she had come to collect him; instead, a face looked in through a small opening, warned him in obscene terms what would happen to him if he did not shut up, and told him (with an additional obscenity thrown in) that his mother wouldn't be seeing him again for a good long while. He was 7 years old.

The odds had been stacked against him from the beginning. His father, he reports, was an alcoholic who seldom returned home, and who beat and abused him when he did. His mother—a neglectful parent, according to a local agent of the Society for the Prevention of Cruelty to Children—had taken up with a man called Bill; she assured the authorities that all five of her children, including Mark (the eldest), were very fond of him, but if we take Mark's word for it he was "always drunk and mean." As Devlin writes, "I did not know whom I hated or feared more, Bill or my father."

With a start like this, it is not to be wondered at that early on he displayed a plentiful assortment of behavior problems. Having to teach or look after him was clearly no picnic, and it seems evident that he needed at least some outside care. What happened, however, is that under a Massachusetts statute dating from the 17th century his mother filed a "Stubborn Child's complaint." Social workers and child psychologists concurred, and for the crime of stubbornness he found himself condemned to spend most of his childhood in a series of foster-care institutions.

His reception at Rosindale set the tone for a great deal of what was to follow. "Stubborn Child" is in large measure a chronicle—of a fierce and memorable chronicle—of cruelty, deprivation and indignity. Most of the teachers Mark Devlin encountered seem to have had little if any interest in teaching, most of the guards seem to have been bullies; there were fights, blows, savage insults and frequent recourse to solitary confinement under the most rigorous conditions.

Whatever its nominal purpose, the system in which Devlin found himself immersed might have been designed to destroy any sense the

innate still had of their worth. And even then, Devlin had the good fortune to come across a music teacher who taught him the clarinet in a generally widened his horizons. (There is a fine account of hearing about Richard Strauss' "Till Eulenspiegel" for the first time, and identifying with the hero of that work, who was hanged for what are nothing worse than pranks.) An arts and crafts teacher gave him encouragement, too, and so did a boxing instructor—before illness intervened, he got as far as the semifinals of the Golden Gloves. And, chiefly by reading Perry Mason, he would have to start somewhere—he had a feeling for words.

If his gifts did not carry him further, much of the fault seems to be in his strangely relationship with his mother. She rarely visited him or wrote to him; she was capable of sending him a letter at Christmas listing the presents she had bought for his brothers and sisters, and then adding that she was sorry she didn't have enough money left to get anything for him. Whenever he came home on parole, his difficulties there soon led to his being sent back into detention.

Still, institutions are meant to be stronger than individuals, and it is the system of juvenile care (or an important aspect of it) that stands arraigned in Devlin's account, rather than the inadequacies of a woman beset by problems that might have proved too much for most of us. His indictment of the system is a powerful one, and makes disturbing reading.

True, two of the institutions to which he was consigned—and others like them—have been closed; the category of "Stubborn Child" was abolished in Massachusetts in 1974; new provisions have been made in the state for therapy, counseling and foster care. But it would take an uncommon degree of optimism to assume that the evils he describes have disappeared, or that comparable abuses do not exist elsewhere.

Devlin landed in a federal reformatory in Virginia, convicted of transporting a stolen car across state lines. When he was released, he was 25. In the years that followed he managed to stay out of jail—only just; he records in painful detail the petty crimes and scenes by which he kept going. He also paints an unflattering picture of his disheveled private life, his grandiose ambitions (now he was going to be a movie star, now a famous lawyer), his descent into alcoholism. Yet somehow he found the strength (encouraged by a Boston journalist named Mark Zanger) to write "Stubborn Child," under circumstances that make it all the more noteworthy an achievement.

John Gross is on the staff of The New York Times.

House Where Goya Was Born

Is Opened Again After Repairs

United Press International
FUENDETOLOS, Spain — The austere farmhouse where the painter Goya was born in 1746 has been reopened to the public after extensive repairs to keep it from collapsing. The three-story stone house, closed two years ago when its walls began to cave in, has furniture and ceramics dating from the 18th century. Officials said a Goya museum displaying engravings by the artist would be opened in the village next year.

BRIDGE

By Alan Truscott

ON the diagrammed deal, South landed in five hearts doubled after a competitive auction and had an easy road to 11 tricks when West led the spade ace. He ruffed, drew trumps ending in dummy, and cashed two spade winners throwing diamonds. When South then ruffed the last spade and led the diamond king he was safe: the defenders would be employed sooner or later, and as it happened, it was sooner.

It might seem that South could have been defeated, but

as he realized afterward the contract was impregnable.

If West led a club for East to ruff, the diamond king would later provide a club discard and there would be 11 tricks. If West made the best lead of a trump, South would win in the dummy and lead a diamond. East would rise with the ace and lead a second trump. The diamond king would again furnish a club discard and the last diamond would be ruffed. Then a club lead to the jack would force West to give away a trick, and West's remaining honor would be ruffed out.

NORTH	WEST (D)	EAST	SOUTH
♠ KQ94	♠ A853	♠ 753	♠ A1063
♥ Q972	♥ 875	♥ A83	♥ K6
♦ 643	♦ Q875	♦ A83	♦ K6
♣ A863	♣ K83	♣ A863	♣ A863

East and West were vulnerable.

The bidding:

West Pass East Pass

West 2♥ East Pass

West 3♥ East Pass

West 4♥ East Pass

West 5♥ East Pass

West 6♥ East Pass

West 7♥ East Pass

West 8♥ East Pass

West 9♥ East Pass

West 10♥ East Pass

West 11♥ East Pass

West 12♥ East Pass

West 13♥ East Pass

West 14♥ East Pass

West 15♥ East Pass

West 16♥ East Pass

West 17♥ East Pass

West 18♥ East Pass

West 19♥ East Pass

West 20♥ East Pass

West 21♥ East Pass

West 22♥ East Pass

West 23♥ East Pass

West 24♥ East Pass

West 25♥ East Pass

West 26♥ East Pass

West 27♥ East Pass

West 28♥ East Pass

West 29♥ East Pass

West 30♥ East Pass

West 31♥ East Pass

West 32♥ East Pass

West 33♥ East Pass

West 34♥ East Pass

West 35♥ East Pass

West 36♥ East Pass

West 37♥ East Pass

West 38♥ East Pass

West 39♥ East Pass

West 40♥ East Pass

West 41♥ East Pass

West 42♥ East Pass

West 43♥ East Pass

SPORTS

Brazil's Cruz Has Sped Far, From Slum to Track's Summit

By Sam McManis
Los Angeles Times Service

EUGENE, Ore. — Joaquim Cruz's long, sinewy body, which carried him out of a Brazilian slum and to a gold medal in the Olympic 800-meter race last summer, was being pounded and manipulated by a therapist, so every precaution is taken. His long, sinewy body, which carried him out of a Brazilian slum and to a gold medal in the Olympic 800-meter race last summer, was being pounded and manipulated by a therapist, so every precaution is taken. His long, sinewy body, which carried him out of a Brazilian slum and to a gold medal in the Olympic 800-meter race last summer, was being pounded and manipulated by a therapist, so every precaution is taken.

On July 10, in his first European race of 1985, he won the 800-meter event at an international track and field meet in Lausanne, Switzerland, beating West Germany's Peter Braun by 32 hundredths of a second. He ran the race in 1:41.77, a time that was not close to the world record held since 1981 by Sebastian Coe of Great Britain, but at just 22 and three years removed from his native Brazil, Cruz already has accomplished more than many world-class runners have in their careers.

In the last year, his progress has been startling. In the spring of 1984, he won both the 800- and 1,500-meter races at the NCAA meet. Then, in the Olympics, he beat the exceptionally strong 800-meter field in Lausanne. His domination continued on the European circuit. In the 800-meter race last summer when he ran the 800 under 1 minute, he set a new world record. That time was just .04 of a second off the world record.

It was after his amazing string of victories in Europe that he had people in his adopted home of Eugene and elsewhere finally learned how to pronounce his first name. In the past, he had been known as "Joao" or "Joaozinho," but now he is known as "Joaquim." The name is Portuguese, and it is a name that Cruz has taken to heart. He has taken to heart the name of the man who has helped him become a world-class runner.

The scary part, at least for mid- and long-distance runners from Brazil, is that Cruz is not alone. He is part of a new wave of Brazilian runners who are making a name for themselves in the world of track and field. They are runners who are not just good, but great. They are runners who are not just fast, but smart. They are runners who are not just athletes, but men.

Cruz, a junior at the University of Oregon, is merely a baby in the world of big-time distance running. And although the runner who has made a name for himself in the world of track and field is still a junior, he has matured considerably since leaving Brazil. He is a man who is not just a runner, but a man. He is a man who is not just fast, but smart. He is a man who is not just an athlete, but a man.

This is more than just another story about a fast and precocious athlete going for the gold. It is about an impressionable Brazilian from an impoverished environment and a young coach-father figure united by a common dream of a better life. It is about a man who is not just a runner, but a man. It is about a man who is not just fast, but smart. It is about a man who is not just an athlete, but a man.

For all the trappings of track and field success that have become an accepted part of Cruz's life — the recognition, the lucrative shoe contract with Nike and healthy appearance fees, the new BMW 518i in the parking lot — he never forgets what it was like growing up poor in Brazil. He never forgets what it was like growing up poor in Brazil. He never forgets what it was like growing up poor in Brazil.

He grew up in Tanguia, a city of 300,000 in central Brazil near the capital of Brasilia. Their house had dirt floors and no one had a bedroom to himself. He grew up in Tanguia, a city of 300,000 in central Brazil near the capital of Brasilia. Their house had dirt floors and no one had a bedroom to himself. He grew up in Tanguia, a city of 300,000 in central Brazil near the capital of Brasilia.

Maybe because Joaquim was the last born, he was not sent to work, as were his four sisters. Occasionally he would shine shoes or sell oranges to help out, but nothing full-time. Instead, he spent his mornings in school, his afternoons at a playground or on the street and his evenings at home with his mother. The only times Joaquim Sr. was around were early in the morning before dawn and at night before bed. He labored day and night as a steel worker and still brought home only about \$50 a month.

Cruz also discovered sports. At first, he kicked a soccer ball around with the other 11-year-olds in the neighborhood. But one day, at the urging of a friend, he showed up for basketball practice at his elementary school. The coach, a stocky, strong-willed former soccer player named Luiz de Oliveira, saw a tall, gangly kid watching with interest from the sideline and approached him.

That meeting began a relationship that has endured for 10 years. "To be honest, I didn't want to play basketball," Cruz said. "I didn't want to do anything. A friend of mine asked me why didn't I join. I told him that I go home and have fun playing soccer or something."

"When he first started, there was no way of telling he'd be an athlete," de Oliveira said. "He was just 11. But after two years' training, I knew Joaquim could've been a very good basketball player because he had coordination, even at an early age."

Cruz did not continue to play basketball for long. The same boy who had told Cruz about basketball whistled in de Oliveira's ear about Cruz's running prowess. De Oliveira had him run 1,500 meters after basketball practice one day. Cruz, then 14, was clocked at 4:45, and de Oliveira told Cruz to forget basketball and concentrate on running.

De Oliveira knew that Cruz's ability could be a way for each to find a better life. The only problem was, Joaquim did not want it. Or, if he did, he apparently was not willing to work for it. For a few months, Cruz went to school and coached a youth basketball team, a job arranged by de Oliveira, who still had hope that Cruz would change his mind.

"I stopped the car one night, looked over at Joaquim and we talked," de Oliveira said. "I explained to him that track and field would be good for him in the future. It would be a chance for him to come to the U.S. and learn English and get an education. I told him that it would be a chance to travel, meet different people, help his family. He really wanted to help his family."

to running, it made him more motivated than ever. Two months later, in Rio de Janeiro, he ran a 1:44.3 in the 800, setting a world junior record.

"It took a long time to get to that point," de Oliveira said. "But once Joaquim got there, we knew it was time to move on."

The move they had in mind was to the United States. Where in the United States, they were not sure. But Brazilian middle-distance runner Agberto Guimarães was attending Brigham Young University and arranged to have Cruz admitted to the school. De Oliveira sold his belongings and moved his wife and three children to Provo, Utah, to be with Cruz.

Cruz's first few months in the United States were disastrous. It was not just the snow, which he had never seen before, and the culture shock. A tendon problem in his right heel had bothered him earlier that year and had followed him to the United States.

So, when it was suggested that an orthopedic surgeon, Stan James of Eugene, Oregon, examine the heel, Cruz and de Oliveira also examined Eugene. They liked the area, which is considered a runner's haven. Continuous rain was better than continuous snow, Cruz thought.

Another factor, which has been played down, was that de Oliveira later would be offered a scholarship by Nike to coach Cruz and other athletes. Nike is based in Oregon. Even after moving there, Cruz still was bothered by the foot, so he underwent surgery in Houston that summer.

"The recovery was very tough on me and Luiz," Cruz said. "Luiz got a lot of criticism back home. When we left the country, a lot of people were saying that I wouldn't be able to run good times anymore if I came to the U.S. and that I'd get hurt. It looked like they were right."

"On one side, it was very bad because I wanted to prove I could run but I couldn't. But on the other side, it gave me time to rest my body. It gave me time to study and learn the language."

It took many hours of studying for Cruz to speak, read and write English. He failed the University of Oregon's admission test three times before passing.

Eventually, the doubts about recovering from the heel injury began passing. Too. With the aid of a special, built-up shoe, Cruz was able to start training again. It was slow and arduous, but it lifted his spirits.

Then he was able to compete for the University of Oregon. In 1983, he won the NCAA 800 with a time of 1:44.91, which was surprising to de Oliveira because Cruz's training was not geared to the NCAA meet.

By the summer of 1983, at 20, Cruz was considered a world-class 800-meter runner but by no means a favorite. At the World Championships in Helsinki, he finished third in a race he said he should have won. Accustomed to taking the lead, he went out too fast and faded in the stretch.

"I was surprised," Cruz said. "I thought I was going to win. A day before the race, I pictured myself winning 100 times. And I pictured myself coming in front. I never gave myself a chance to picture me losing. But I wasn't prepared for that hard of a pace. I learned to be more flexible."

Maybe that loss was the best thing, because he came back last year with an insatiable desire to win. He easily won both the NCAA 800 and the 1,500 that spring, then started pointing toward the Olympics.

The 800 field, featuring Coe, Overt and Earl Jones and Johnny Gray of the United States, was considered the deepest and strongest of any track event at the Games held in Los Angeles. After breezing to fast times — too fast for his own good, some thought — in the preliminary heats, Cruz had the competition worried.

Said Coe on the eve of the race: "He's either in supreme physical condition or foolhardy." Cruz answered that question as the late afternoon sun beat down on the track on Aug. 6.

For the first 400 meters, Cruz followed the pace of Kenya's Edwin Koech, his long, fluid stride never wavering. As the runners reached the stretch, Cruz seemingly did not change stride, yet he pulled away from the field.

When he hit the tape, Cruz was five meters ahead of Coe and Jones. Grabbing a Brazilian flag from a spectator, Cruz proudly waved it on his victory lap. He had become the first Brazilian runner to win a gold medal.

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Eduardo Romero of Argentina found himself very trapped near the fourth green at the Royal St. George's Golf Club. He shot 74 for the opening round of the British Open.

'Other' O'Connor Breaks British Open Records With a 64

By Martin Lader
United Press International

SANDWICH, England — One of the great names of Irish golf returned to the British Open on Thursday, like a ghost looking to put to rest a mission started 30 years ago.

Starting in the mid-1950s, Christy O'Connor Sr. won almost 60 tournaments, but never the open. Seven times he finished among the top six, placing second in 1965 and third in 1961 but never achieving the elusive prize.

"Himself," the nickname by which he is known in Ireland, is 60 now and never will add the British Open to his collection of trophies. But the name Christy O'Connor was very much in evidence during the first round at Royal St. George's Golf Club.

Christy O'Connor Jr., named for his uncle and a journeyman player in 16 years as a pro, went on a binge the likes of which his storied uncle never knew. Starting on the fourth hole, he carded seven successive birdies to set a British Open record. He got 10 birdies for the round, believed to be another mark.

During the run of seven birdies, O'Connor sank one putt of 25 feet (7.6 meters), two from 20 feet, two from 12 feet and one of 10 feet. Later in the round he made birdie putts of 15 and 20 feet.

He finished with a 6-under-par 64, tying an open record set by Craig Stadler two years ago for low opening round. The championship record of 63 is shared by Mark Hayes (1977) and Isao Aoki (1980).

Five men were tied for second at 68: David Graham of the United States, Tony Johnstone of Zimbabwe and Sandy Lyle, Philip Parkin and Robert Lee, all of Britain.

But while O'Connor was enjoying his finest hour, more famous golfers were thrashing through knee-deep rough and wet dunes. Jack Nicklaus hit a tee shot out of bounds at 14 and carded 77. Seve Ballesteros of Spain, the defending champion, bogeyed five of six holes during the worst of a heavy rain and shot 75. Bernhard Langer of West Germany and Tom Watson shot 72. Lee Trevino 73.

O'Connor's 64 also broke by one shot the course record set in 1934 by Henry Cotton, when he won the first of his three open crowns.

Cotton, now 78, afterward congratulated O'Connor, 36, asking, "Did you play all 18?" Cotton said, "The boy is very gentle. Whether he has enough viciousness to win the open I don't know. I told him, 'I hope this helps you.'"

O'Connor, whose hair is mostly white, with patches of gray, said he lacks the intensity and toughness that characterized his uncle, with whom he has always been close.

"He was more positive, with nerves of steel," he said. "He'd give the impression of being relaxed, but he was always very intense. He often told me he played with hinkers — he saw nobody and heard nobody. When the round was over, then he was nice to everyone."

"I'm a different golfer than my uncle, different swing, different outlook."

Growing up in Galway, where the golf course runs through the middle of the village, O'Connor and his three brothers were proud of their uncle. But there were problems attempting to follow those hallowed footsteps.

At first it was difficult to live with the name, with everyone expecting me to play as well," O'Connor said. "After a while people recognized I wasn't a good, and I was quite happy about that."

Those Lords of Baseball Must Be Crazy

By George Vecsey
New York Times Service

NEW YORK — The first response is: They cannot do this to us.

Major league baseball's owners and the players' union could not be professionally stupid enough to force another midseason strike the way they did in 1981, when they got off lucky. Fans and the press brought the gimmick of the inter-divisional playoffs, they accepted the distorted statistics from that season, and then baseball stepped in good fortune with a World Series that matched the two biggest television markets in North America, New York and Los Angeles.

Now they want to try again. The two sides are playing brinksmanship with an Aug. 6 strike deadline, using the cynical explanation that there will be plenty of time to settle a strike and get back to work in time for the playoffs. What playoffs? What World Series?

That is the first response. The second response is: We are all being used, made to jump around like greyhounds chasing a scented mechanical rabbit. As soon as the owners and the players' Frick-and-Frack themselves into a strike deadline, the fans and the press tack their tails between their legs.

In any other business, a strike deadline three weeks away would elicit yawns. But this is the national pastime, with all that time on television and radio, with all that space in the newspapers. And both sides know they can score points with the public by raising the specter of no baseball in the dog days of summer.

Even the commissioner is doing it. Peter Ueberroth was quoted the other day as saying he thinks a strike is likely, and the sooner the better. He did urge owners to open their books, and he did suggest that a strike would be a failure on both sides, but baseball can hardly afford the Cheshire-cat facade we saw from Bob Kuhn in 1981. All of a sudden, the commissioner was not the commissioner any more, but merely an anguished fan like the rest of us.

This year's labor crisis is not all that complicated. There is no philosophical, legal difference between the sides, as in the bad old days when players were kept in bondage by their clubs until traded, sold or released. The issue this time around? Money. Not freedom. Not the reserve clause. Not free agency. Just money: tacky, gross money.

This strike would be over the share of money the owners pay the players' pension plan from the television network contract. The owners have traditionally paid one-third, which now amounts to \$15.5 million. But the television contract is so big now that one-third would amount to \$60 million.

The owners do not want to formalize the one-third figure. But, given the contemporary players' benign neglect of old-timers' pensions, it is hard to get worked up over their struggle for one-third of the pie.

To date, no baseball owner has failed to meet a payroll. The poor and the inept clubs throw around huge salaries with the same abandon as the rich and successful clubs. The owners all look like men who continue to dine comfortably at the trough, and the players, who average \$350,000 per year, must avoid looking like hogs themselves.

The third response is: A plague on both their houses. We can get along without it. Sure we can — and both sides know it, don't they?

Owners' Meeting Canceled
Ueberroth said Wednesday he has canceled the owners' summer meetings next month in Anaheim, California, so they can concentrate on resolving the impasse. The Washington Post reported.

Negotiators were to resume bargaining Thursday for the first time since the union set the strike date. Expansion was considered to be a major topic at the owners' meetings, set for Aug. 14-15. A spokeswoman for the commissioner's office said there are no plans to reschedule the meetings.

"Now that there's a date, we hope it will have some effect" on the stalled negotiations, a union spokesman, Mark Belanger, was quoted as saying Wednesday.

Belanger, according to The Associated Press, said that in 1981, when the players struck for 50 days, "things were different. That strike was planned" by the owners. "They had strike insurance. Their losses were covered. They were trying to bust us. Now, they don't have any strike insurance."

He acknowledged that public sentiment is strongly against another strike. "We're concerned about the public," Belanger said, "but we can't go about this thing trying to take care of the public. We have to take care of the issues."

Vanderaerden Wins Stage As Tour Nears Its Finish

United Press International

BORDEAUX — Eric Vanderaerden of Belgium reminded everyone Thursday just how good a sprinter he can be, edging out Sean Kelly of Ireland in the final seconds to triumph in the 19th stage of the Tour de France bicycle road race.

Bernard Hinault of France continued to appear well on the way to a fifth Tour de France victory that would tie the record. The veteran Breton donned the overall leader's yellow jersey for the 12th day in a row after staying with the pack and losing no time in the overall standings.

Vanderaerden pedaled through the 203 kilometers (126 miles) from Pau to Bordeaux in 5 hours 42 minutes and 13 seconds. But it was only in the final sprint that Vanderaerden came on strong and overtook Kelly and Francis Castaing of France at the finish line.

Jozef Lieckens and Benny Van Brabant, both of Belgium, took fourth and fifth places in the 23-man pack behind Vanderaerden.

Through the hot, muggy afternoon, teammates Kelly and Castaing set a quick pace with which the rest of the riders kept up. Thirty kilometers before Bordeaux, the two leaders split off and appeared ready to make a two-man dash to victory until Vanderaerden closed on them and pushed ahead at the finish line.

Vanderaerden has been a force on the Tour de France ever since he came in second in Hinault in the June 28 prologue against the clock. He wore the yellow jersey for the first three days, and he led the 13th stage individual time trial, contested last week.

Three days remain in the 4,000-kilometer race around France, which ends up in Paris on Sunday. Friday, the 20th stage picks up in the morning with a 225-kilometer course from Montpon-Ménestrol to Limoges.

For Sunday's finale, the racers will approach Paris from Orleans and proceed along the Seine, cross the river on the Pont de la Concorde and make six laps on avenue des Champs-Elysees with a sprint to the finish.

They are expected to reach the city about 1:30 P.M.

SCOREBOARD

Cycling

Tour de France

NINETEENTH STAGE

150 Kilometers (131 miles)
1. Eric Vanderaerden, Belgium, 5:42:13
2. Sean Kelly, Ireland, 5:42:13
3. Francis Castaing, France, 5:42:13

4. Bernard Hinault, France, 5:42:13
5. Jozef Lieckens, Belgium, 5:42:13
6. Benny Van Brabant, Belgium, 5:42:13
7. Rudy Mattheis, Belgium, 5:42:13
8. Eric Maestri, New Zealand, 5:42:13
9. Greg LeMond, U.S., 5:42:13
10. Thierry Marie, France, 5:42:13
11. Arnie Van der Poel, Netherlands, 5:42:13
12. Rudy Driessens, Belgium, 5:42:13
13. Philippe Lemaire, France, 5:42:13
14. Jean-Philippe Van den Brande, Belgium, 5:42:13
15. Guillaume Pevenecq, Italy, 5:42:13

Overall Standings
1. Bernard Hinault, France, 101 hours, 13 minutes, 29 seconds
2. Sean Kelly, Ireland, 5:35
3. Francis Castaing, France, 5:35
4. Jozef Lieckens, Belgium, 5:35
5. Benny Van Brabant, Belgium, 5:35
6. Rudy Mattheis, Belgium, 5:35
7. Eric Maestri, New Zealand, 5:35
8. Greg LeMond, U.S., 5:35
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12. Philippe Lemaire, France, 5:35
13. Jean-Philippe Van den Brande, Belgium, 5:35
14. Guillaume Pevenecq, Italy, 5:35
15. Bernard Hinault, France, 5:35

Women
1. Henny Tan, Netherlands, 2 hours, 15 minutes, 15 seconds
2. Maria Theresia, West Germany, Same time
3. Maria Theresia, Sweden, 15 seconds bonus
4. Louisa Segheest, Italy, 5:35
5. Patricia Sandqvist, Italy, 5:35
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SPORTS BRIEFS

A Truck Named Clyde

2) Anybody silly enough to paint

Forty-four ounces! That's almost a quart and a half. I recall when Pepsi Cola gave you "12 full ounces — that's a lot." It was a lot, too. Super Big Gulp now gives you almost four times as much. That's not just a lot. That's just bloat.

Currency Tales: Cows, Guns and Ashes

Damaged U. S. Banknotes Can Be Restored; All You Need Is 50 Percent of the Pieces

As she spoke, Sherita Walker, using a magnifying glass, a small metal spatula and forceps, was working on what looked like a pile of ashes in a desk drawer.

George Tomasi/The New York Times

**Piecing together
mutilated bills
(above) and
burned banknotes
at the Office of
Currency
Standards in
Washington.**

Most cases of more than \$5,000 referred to the Internal Revenue Service were interested in how and why people made large amounts of cash. This, and the fact that the man was coming from Miami, where the authorities say illegal drug money abounds, ensured the claimant will get a visit from the IRS before he gets his cash free and clear.

Several examiners recalled the case of a man who hid several hundred dollars in a barrel of his shotgun and forgot about it when he went hunting. He set his sights a

Expect to wait up to six months for an answer. The service is free.

PEOPLE

800 Extras in the Wings

Marlin Perkins, director emeritus of the St. Louis Zoo who pioneered techniques of filming animals in the wild, is leaving as host

Tenants of the San Remo, a posh building on Central Park in New York, have rejected a bid by the rock star Madonna to buy a \$1.2-million apartment there. The San Remo Tenants Corp. did not make public its reasons for the decision.

Among celebrities living in the building are the actor Dustin Hoffman and the actress Diane Keaton. The New York Daily News reported that Keaton was the only tenant in the San Remo board who supported Madonna's request.

INTERNATIONAL CLASSIFIED

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